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IN REMEMBRANCE OF THE PAN-AMERICAN SCIENTIFIC CONGRESS
SANTIAGO DE CHILE DECEMBER MCMVIII

MESSAGE

FROM THE

PRESIDENT OF THE UNITED STATES,

TRANSMITTING

PAPERS

RELATING TO

THE WAR IN SOUTH AMERICA,

AND

ATTEMPTS TO BRING ABOUT A PEACE,

SUBMITTED TO

THE SENATE, JANUARY 26 AND 27, 1882,

AND TO THE

HOUSE OF REPRESENTATIVES, JANUARY 26 AND FEBRUARY 17, 1882.

IN REPLY TO

RESOLUTIONS OF THOSE BODIES, CALLING FOR CORRESPONDENCE TOUCHING THE EFFORTS OF THIS GOVERNMENT TO BRING ABOUT PEACE BETWEEN CHILI, AND PERU AND BOLIVIA, AND TOUCHING CLAIMS AGAINST OR CONTRACTS RESPECTING EITHER OF THE BELLIGERENT GOVERNMENTS.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
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MESSAGE

FROM THE

PRESIDENT OF THE UNITED STATES,

TRANSMITTING,

In response to Senate resolution of December 13, 1881, *a report of the Secretary of State, and accompanying papers, touching affairs in or between Peru and Chili.*

JANUARY 26, 1882.—Read and referred to the Committee on Foreign Relations.

To the Senate of the United States:

I transmit herewith a report of the Secretary of State, and accompanying papers, furnished in response to the resolution of the Senate of the 13th ultimo, calling for correspondence touching affairs in or between Peru and Chili.

CHESTER A. ARTHUR.

EXECUTIVE MANSION,
Washington, January 26, 1882.

DEPARTMENT OF STATE,
Washington, January 24, 1882.

To the PRESIDENT:

The Secretary of State, to whom was referred the resolution of the Senate of the 13th ultimo, requesting the President, "if, in his opinion, it be not incompatible with the public interest, to communicate to the Senate all the correspondence between the Government of the United States and its diplomatic agents in Peru and Chili, respectively, occurring since the 1st day of April, 1879, touching public affairs in or between those States, and also such other correspondence and information on the subject as may be in the possession of the Executive Department," has the honor to lay before the President the full correspondence in response to that resolution.

The resolution calls for all the correspondence, and the Secretary of State is not aware of any correspondence, whether diplomatic or of a miscellaneous character, touching the subject, on the files of the Department during the period indicated in the resolution, which is not

submitted herewith. Where asterisks indicate a hiatus in the copy, they represent, so far as he is aware, only parts of papers which are omitted because referring to subjects in no way pertinent to the resolution. In many cases asterisks stand in the place of names. In some instances this has been done because, in the judgment of the President, it would have been incompatible with the public interests to disclose the names of representatives or members of foreign governments. In other cases this has been done because the names of persons have been given in papers written by persons holding no official position and without, so far as appears from the files of the Department of State, any sufficient authority on the part of the writers to use such names; such unofficial papers themselves are, nevertheless, sent, because they seem to come within the call of the Senate, having been received by persons holding official positions under this Department.

With these exceptions and explanations, the papers herewith submitted are a full compliance with the terms of the resolution of the Senate.

Respectfully submitted.

FRED'K T. FRELINGHUYSEN.

LIST OF PAPERS.

List of papers relating to the war in South America and the attempts to bring about a peace.

1. BOLIVIA.

No.	From whom and to whom.	Date.	Subject.	Page.
		1879.		
1	Mr. Evarts to Mr. Pettis (No. 12).	June 23	Privateering against Chilian property in neutral vessels: authorization of, by Bolivia, and proposed fitting out of privateers in the United States by Bolivian agents; instructed to inform Bolivia that treaty of 1858 exempts from capture enemy's property on board neutral vessels, and that law of the United States prohibits fitting out within its territory of expeditions against a country with which United States is at peace.	1
2	Same to same (No. 13).....	June 25	Privateering projects of Bolivia: refers to Department's No. 12 and incloses Treasury regulations for the prevention of violation of United States neutrality laws by privateers in the interest of Bolivia.	1
3	Mr. Pettis to Mr. Evarts (No. 15).	June 28	Peace: efforts of Mr. Pettis in behalf of; terms upon which Bolivia will submit to arbitration; offer of mediation by Brazil and some European power has been declined.	3
4	Same to same (No. 16)	July 2	Peace: Peruvian minister calls on Mr. Pettis and expresses desire of Peru for.	4
5	Mr. Evarts to Mr. Pettis (No. 17).	Aug. 8	Mediation of Colombia for cessation of hostilities between Bolivia and Chili: instructed to inform Colombian envoy who will visit La Paz to proffer such mediation, of the friendly solicitude of the United States as to the result of his mission.	4
6	Mr. Seward to Mr. Pettis (No. 19).	Aug. 11	Neutrality of the United States during war between Bolivia and Chili: course of Mr. Pettis in assuring minister for foreign affairs of, approved; reply to No. 13.	5
7	Same to same (No. 21)	Aug. 18	Peace: action reported in his No. 15 in behalf of, approved; position of United States on the subject of mediation.	6
8	Mr. Pettis to Mr. Evarts....	Aug. 23	Peace between the South American belligerents: efforts of Mr. Pettis for, would have succeeded had it not been for prejudicial action of Mr. Fisher, bearer of dispatches; newspaper articles indicating that Mr. Fisher has offered to Peru the mediation of the United States and is about to offer same to Chili inclosed.	6
9	Same to same (No. 22)	Aug. 23	Peace: reports his efforts to bring about same; Chili ready to enter into arbitration with Bolivia on basis proposed by Mr. Pettis, but reserves decision with respect to arbitration of her dispute with Peru; Mr. Pettis in his efforts for peace visited Lima and Santiago and conferred with the authorities there; reasons for his course.	9
10	Same to same (No. 23).....	Aug. 25	Privateering: Bolivia's alleged authorization of; note of inquiry and admonition to foreign office inclosed.	15
11	Same to same (No. 24)	Aug. 25	Privateering: Bolivia's alleged authorization of; note to foreign office transmitting Treasury regulations for prevention of violation of neutrality laws of the United States by Bolivian privateers inclosed; reply to No. 13.	16
12	Mr. Evarts to Mr. Pettis (No. 25).	Sept. 19	Conduct of minister in conferring with Presidents of Peru and Bolivia and giving rise to a supposition that he was on a special mission to Peru, Chili, and Bolivia: explanation requested.	17
13	Mr. Pettis to Mr. Seward (No. 31).	Sept. 25	Documents vindicative of Bolivia's cause: reports having expressed thanks of United States to Government of Bolivia for same; reply to No. 18.	17
14	Mr. Pettis to Mr. Evarts (No. 35).	Sept. 29	Peace between the South American belligerents: Colombia's offer of mediation rejected; mediation of no other power but the United States desired by the belligerents, who would accept such mediation at once if tendered.	17
15	Mr. Pettis to Mr. Seward (No. 36).	Sept. 30	Peace question: the belligerents expect mediation of the United States, and desire no other, and wonder at delay on part of the United States, but are too proud to ask United States to mediate; they will be satisfied with any action the United States may take to bring about peace, and Mr. Pettis urges that steps be taken for pacification of the belligerents; position which Mr. Pettis has assumed with respect to peace; it is understood perfectly in Bolivia.	18

1. BOLIVIA—Continued.

No.	From whom and to whom.	Date.	Subject.	Page.
		1879.		
16	Mr. Hunter to Mr. Pettis (No. 26).	Oct. 1	Visit of Mr. Pettis to Santiago and Lima: Department not prepared to either approve or disapprove his unauthorized and rash experiment; if peace should result from it the United States would of course rejoice; this government does not intend to urge peace in disparagement of belligerent rights, and does not tender its good offices for peace, but will use them for that purpose if called upon by the belligerents; statements in Chilian press alleging misrepresentation of our policy by Mr. Pettis regarded as unfounded.	20
17	Mr. Pettis to Mr. Seward...	Oct. 4	Efforts of Mr. Pettis for peace: believes they will bear fruit; kindest feelings entertained for him by the belligerents on account of said efforts; newspaper articles respecting his mediatory efforts in Chili and Peru.	21
18	Mr. Pettis to Mr. Evarts (No. 41).	Oct. 7	Mediation of the United States would be acceptable to Chili: reports conference at foreign office and transmits correspondence; Bolivia and Peru desire mediation of United States; would accept it if offered, but they cannot formally ask it; basis of such mediation would have to be disoccupancy of Bolivian territory by Chili; belligerents apprehend early armed foreign intervention.	22
19	Same to same (No. 42)	Oct. 8	Boundary: position which the belligerents have occupied towards each other in regard to boundary; suggestion as to territorial basis for mediation; maps inclosed.	25
20	Same to same (No. 43).....	Oct. 9	Privateering: Bolivian decree authorizing the same, exempts vessels carrying United States flag from seizure; note from foreign office inclosed; reply to No. 12; vindication of the decree.	26
21	Same to same (No. 44)	Oct. 15	Privateering: Bolivia's authorization of; note from foreign office acknowledging receipt of the United States Treasury circular respecting enforcement of neutrality laws of United States inclosed.	27
		1880		
22	Mr. Evarts to Mr. Adams (No. 3).	Apr. 19	Prisoners of war: exchange of, between Chili and Bolivia; authorized to do what he can to bring about such exchange.	28
23	Mr. Adams to Mr. Evarts (No. 3).	June 14	Arrival at Lima: facilities afforded him by the United States steamer Alaska; political situation; Mr. Christiancy *influential*.	28
24	Same to same (No. 4)	June 22	Political: Campero elected President of Bolivia notwithstanding his defeat by the Chilians at Tacna; war spirit strong in Bolivia; proposed unification of Peru and Bolivia.	29
25	Same to same (No. 13).....	July 14	Proposed federation of Peru and Bolivia unpopular; hopes and rumors as to intervention by United States; unsatisfactoriness of General Campero as President; appointment of Mr. Cabrera as minister to the United States.	30
26	Mr. Evarts to Mr. Adams (No. 10).	Aug. 2	Policy of the United States regarding peace; incloses correspondence with minister to Peru setting forth same.	32
27	Mr. Adams to Mr. Evarts (No. 22).	Aug. 5	Political: prospects as to invasion of Bolivia, and as to peace; rumored arrival of war vessels from the United States for use of Peru revives hopes of Bolivia.	33
28	Same to same (No. 26).....	Sept. 2	Mediation: Bolivia willing to accept mediation of United States in form proposed by United States minister at Santiago, but defers acceptance until she can hear from Peru; correspondence inclosed; negotiations reported.	33
29	Same to same (No. 27).....	Sept. 2	Confederation movement as between Peru and Bolivia: condition of; peace question.	37
30	Same to same (No. 28).....	Sept. 4	Mediation of the United States: formal and unreserved acceptance of, by Bolivia.	38
31	Same to same (No. 29).....	Sept. 14	Mediation of United States: acceptance of, by Bolivia; rejection of offer of mediation by European powers; preparing to attend conference at Arica; correspondence inclosed.	39
32	Same to same (No. 32).....	Oct. 4	Mediation: disposition of the allies to defer or abandon negotiations in consequence of the seizure by the Chilians of a sugar estate in the north of Peru; effort of Mr. Adams to change this disposition; correspondence inclosed.	42

1. BOLIVIA—Continued.

No.	From whom and to whom.	Date.	Subject.	Page.
		1880.		
33	Mr. Adams to Mr. Evarts (No. 34).	Oct. 7	Mediation: refers to his No. 32; Bolivia objects to language in legation's note therein inclosed; Mr. Adams modifies it accordingly; favorable press comments on mediation of the United States.	45
34	Same to same (No. 35).....	Oct. 8	Peace conference: departs for Arica to attend the same.	46
35	Same to same (No. 36).....	Oct. 23	Peace negotiations: nearly defeated by objection of Peruvian negotiators to go to Arica; active and finally successful efforts of Mr. Adams and Bolivian negotiators to overcome this objection.	46
36	Same to same (No. 36 *a*).....	Nov. 6	Peace negotiations: inclosures belonging to his No. 36 transmitted.	48
37	Same to same (No. 39)	Nov. 6	Peace conference: failure of, reported with comments; reprehensible conduct of Chili, and inexplicable action of Minister Osborn.	51
38	Same to same (No. 43).....	Nov. 12	Political situation: scheme for confederation of Peru and Bolivia laid aside for the present; nearly a rupture between Peru and Bolivia; compromise effected; price of necessaries of life very high, while exchange is at par; ministry compelled to resign owing to failure of our mediation; intervention of United States hoped for; vandalism on part of Chilians apprehended with dread; legislation.	52
39	Same to same (No. 46).....	Nov. 17	Peace conference: report of Bolivian plenipotentiaries and protocols of proceedings of the conference inclosed.	53
40	Same to same (No. 49).....	Dec. 3	Peace conference: report of Bolivian foreign office on, inclosed; satisfaction at odium which Chili has brought upon herself by declaring the right of conquest; intervention by the United States and declaration of war by Argentine Republic hoped for; triumph of the allies in the conference.	55
41	Mr. Evarts to Mr. Adams (No. 24).	Dec. 14	Peace negotiations: failure of, regretted; United States still ready to do whatever it can for peace; his personal movements reported in his No. 36 approved.	57
42	Mr. Adams to Mr. Evarts (No. 52).	Dec. 16	Intervention: circular of Bolivian Government inciting other South American Republics to intervene for suppression of Chilian aggrandizement, inclosed.	58
		1881.		
43	Same to same (No. 56).....	Jan. 9	Political: circular of Bolivian Government in answer to one of the Chilian Government respecting responsibility for the war and its continuance, inclosed.	59
44	Same to same (No. 57).....	Jan. 17	Political: change of ministry; war party in power; hopes of Bolivia revived by action and disposition of Argentine Republic; prompt suppression of a mutiny; President Campero firmly established in his seat, although revolutionary rumors are frequently circulated.	60
45	Mr. Nuñez del Prado to Mr. Evarts.	Feb. 1	Peace question: determination of Bolivia to resist to the last extremity Chili's efforts at absorption and conquest.	61
46	Mr. Adams to Mr. Evarts (No. 59).	Feb. 3	Political: demoralization consequent on capture of Lima; foreigners in terror in anticipation of Chilian invasion; appointment of Nuñez as minister for foreign affairs.	62
47	Same to same (No. 60).....	Feb. 15	Political situation: Bolivian circular defining the same, inclosed; Bolivia is stronger than Peru now and has suffered less; turn of Bolivia's commerce towards the Atlantic via the La Plata and Amazon Rivers; note from foreign office inclosed for transmission to Bolivian minister in the United States.	63
48	Mr. Cabrera to Mr. Evarts..	Feb. 18	Peace question: mode of settlement of, which Mr. Cabrera strongly advocates; nitrate and guano deposits of Peru, bone of contention, should be removed from the control of belligerents, and placed in charge of a company which would pay Bolivia's and Peru's war and other debts; plan of such company submitted; war, instead of being ended by fall of Lima, is to be continued with greater activity.	64
49	Mr. Adams to Mr. Evarts No. 61).	Feb. 24	War contributions levied by Bolivia: Spaniards apply to Mr. Adams to intervene for their exemption from; Mr. Adams declines on grounds that application is not official and that contribution is just.	67

1. BOLIVIA Continued.

No.	From whom and to whom.	Date.	Subject.	Page.
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50	Mr. Cabrera to Mr. Blaine..	May 9	Peace question: plan for solution of, set forth in his note of February 18 last; urges adoption of it.	70
51	Mr. Adams to Mr. Blaine (No. 75).	June 8	Political situation: preparations being made for resisting the invasion of Chilians; Bolivia adheres to Pierola; intervention of the United States for peace hoped for.	71
52	Mr. Blaine to Mr. Nuñez del Prado.	June 14	Peace question: acknowledges his note of February 1.	72
53	Mr. Adams to Mr. Blaine...	Nov. 8	Policy of the United States in regard to the settlement of the peace question: information relative to, requested.	72

2. CHILI.

		1879.		
54	Mr. Osborn to Mr. Evarts (No. 83).	Feb. 20	Hostilities between Bolivia and Chili resulting from a boundary dispute; Chilian forces in possession of Bolivian territory; fears entertained that Peru will join with Bolivia; explanatory documents transmitted.	73
55	Same to same (No. 86).....	Apr. 3	Hostilities between Bolivia and Chili: Peru will probably take sides with Bolivia; action of Mr. Osborn to prevent a collision between Peru and Chili; the Bolivian territory occupied by Chili, and its resources; the desert of Atacama; newspaper articles thereon inclosed; F. L. Asta-Buruaga, appointed minister to the United States, will leave for Washington soon.	75
56	Same to same (No. 88).....	Apr. 4	Hostilities between Peru and Chili: Chili's grievances are the secret treaty between Peru and Bolivia, and Peru's preparation for war.	76
57	Same to same (No. 89).....	Apr. 10	War between Chili and Peru: war formally declared by Chili on 5th April; Iquique blockaded on same day; province in which Iquique is situated is very wealthy in nitrate and guano deposits; memorandum setting forth antecedents of the war inclosed.	77
58	Same to same (No. 92).....	Apr. 19	War between Chili and Peru: incloses manifesto of Chilian Government vindicating its course in declaring war against Peru.	77
59	Same to same (No. 98).....	May 10	War: progress of; map of theater of war inclosed; purposes of Chili and plan of her campaign; copy of secret treaty between Peru and Bolivia inclosed; Argentine Republic was urged to become a party to this treaty, which was gotten up in hostility to Chili.	84
60	Mr. Seward to Mr. Osborn (No. 63).	May 29	War between Chili and Peru: No. 92, transmitting Chili's manifesto justifying her declaration of war against Peru, received; the war is regretted by the United States.	86
61	Mr. Osborn to Mr. Evarts (No. 100).	June 5	Mediation tendered by Great Britain refused by Peru and accepted by Chili; naval combat at Iquique, and blockade of that port; England directs protection of British subjects by her naval vessels.	87
62	Same to same (No. 101).....	June 11	Privateers: inclosing translation of Bolivian decree relative to, which is in conflict with treaty of United States; English representatives much agitated.	88
63	Same to same (No. 107).....	July 24	War between Peru and Chili: mediation of Ecuador for peace; Peru demands as a condition of arbitration a *status quo ante bellum*; Chili demands a *status quo* as at present; Chili about to make a forward movement; paralyzation of business; financial measures of Chili; opposition to European intervention.	90
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65	Mr. Osborn to Mr. Evarts (No. 110).	Aug. 9	Visit of Mr. Pettis: his efforts in behalf of peace; difficulty in establishing basis for peace negotiations; Mr. Pettis's efforts have materially improved the prospects for peace; Mr. Osborn does not expect a peaceable solution at present.	92

2. CHILI—Continued.

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		1879.		
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67	Same to same (No. 118).....	Oct. 17	Peace question: reply of Mr. Osborn to letter of the United States minister at Lima inclosed: inutility of any effort at Santiago for peace at present.	97
68	Same to same (No. 120).....	Oct. 28	Peace question: failure of Colombia's peace mission; Mr. Osborn has advised our minister at La Paz to do nothing in the way of urging mediation of the United States upon the belligerents; Chili confident of success, and does not wish good offices of the United States at present; necessity for bloody battles before peace can be treated for; proposition involving retrocession of captured territory would not be accepted now.	9
69	Same to same (No. 123).....	Dec. 5	War, progress of: Chilians have captured Peruvian ports of Iquique and Pisagua, and have opened them to commerce, and are now blockading Arica.	100
70	Mr. Asta-Buruaga to Mr. Evarts.	Dec. 15	Neutrality laws of the United States: a torpedo-boat is about to be sent from Bristol, R. I., to Peru in violation of; requests that measures be taken to prevent the departure of said boat; contends that a torpedo-boat comes under the head of armed vessels.	100
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71	Mr. Osborn to Mr. Evarts (No. 125).	Jan. 13	Blockade of Peruvian ports Ilo and Mollendo by the Chilian squadron reported.	101
72	Mr. Evarts to Mr. Asta-Buruaga.	Feb. 10	Neutrality of the United States: suspected intention of violation of, by parties in the interest of Peru; there are no sufficient grounds at present for criminal action against builders of the suspected craft at Bristol, R. I.; steps taken to prevent violation of neutrality.	101
73	Mr. Evarts to Mr. Osborn (No. 83).	Feb. 19	Neutral rights: instructed to bring attention of Chilian Government to the destruction of American property at Talara and Lobos by Chilian naval forces, and to inform that government that the United States expects the rights of its citizens as neutrals to be respected, in pursuance of treaty and international law.	101
74	Mr. Osborn to Mr. Evarts (No. 131).	Feb. 25	Neutral rights: incloses note to foreign office protesting against violation of, which would ensue if recent vigorous regulations prescribed by Chili for prosecution of the war should be strictly carried out; the regulations provide for bombardment of all towns and destruction of all moles and launches in Peru; copy of regulations inclosed.	102
75	Same to same (No. 132).....	Feb. 27	Prisoners of war: exchange of, between Chili and Bolivia; aid of legation to effect same has been requested by Chili and promised by Mr. Osborn; has addressed legation at La Paz on subject.	104
76	Same to same (No. 133).....	Mar. 5	Nitrate beds occupied by Chilian forces: Chili will never give them back to Peru; export duty placed on the products of these beds is too high, and very little nitrate is being shipped; Chili is allowing foreign holders of Peruvian bonds to take the products of the beds in satisfaction of their mortgages.	104
77	Mr. Evarts to Mr. Osborn (No. 85).	Mar. 9	Foreign intervention: instructed, in the event of attempt being made by European powers to intervene for cessation of hostilities, to endeavor to induce Chili to turn to the United States as an arbitrator, rather than to a European government.	106
78	Same to same (No. 87).....	Apr. 13	Prisoners of war: exchange of, between Chili and Bolivia; recently appointed United States minister to Bolivia, who will soon depart for his post, will be instructed to take steps for such exchange.	107
79	Same to same (No. 88).....	Apr. 14	Warfare: recent rigorous rules of, established by Chili; minister's protest to Chili approved; instructed to do all he can to prevent the wanton destruction of life and property.	108

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No.	From whom and to whom.	Date.	Subject.	Page.
		1880.		
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81	Mr. Asta-Buruaga to Mr. Evarts.	Apr. 24	Neutral rights: alleged violation of, by Chili; vindicates Chili's mode of warfare; neutral residents have no ground of complaint; Chili will pay all just claims against her, and hopes that just claims which she may prefer will be similarly treated; has applied to his government for instructions.	109
82	Mr. Osborn to Mr. Evarts No. 143).	April 30	Neutral property: destruction of, by Chilian naval forces at Talara and Lobos; has observed instructions No. 83; grounds upon which Chili vindicates the destruction.	111
83	Same to same (No. 148)	May 20	Mediation by the United States for restoration of peace between Chili and Peru: how it should be conducted when invited; prospects for peace; no disposition on part of European powers to intervene; letter to United States minister at Lima inclosed.	112
84	Same to same (No. 149)	May 21	Iquique: charges preferred by Chili against Consul Merriam of assisting Peru in the war; his prompt removal recommended.	114
85	Mr. Hay to Mr. Osborn (No. 98).	July 15	Neutral rights: asks if Chili has replied to his protest against her proposed mode of conducting the war; refers to his No. 131.	115
86	Mr. Evarts to Mr. Osborn (telegram).	July 29	Mediation: 'Press upon Chilian Government our desire to aid in restoring peace on honorable terms."	116
87	Same to same. (No. 161).....	July 30	Mediation: suggestion by him to Mr. Christiancy of mode of rendering good offices of United States available for cessation of hostilities approved; confirms Department's telegram of 29th ultimo.	116
88	Mr. Osborn to Mr. Evarts (No. 155).	Aug. 4	Intervention: movement of European legations for peace; no forcible intervention contemplated; no prospect of an early peace; the army dissatified at not being ordered to march on Lima; present administration of Chili a very timid one; letter to Mr. Christiancy inclosed.	116
89	Same to same (telegram)....	Aug. 11	Mediation: Chili would accept mediation in form suggested in my dispatch of May 20.	118
90	Same to same (No. 156)	Aug. 12	Mediation: Chili expresses willingness to accept mediation of the United States on basis proposed in Mr. Osborn's [148; formal tender ng of mediation postponed until receipt of instructions; Chili thus is the first one of the belligerents for peace.	119
91	Mr. Hay to Mr. Osborn (telegram).	Aug. 17	Peace question: instructions sent to Mr. Christiancy asking views of Peru; Mr. Osborn's action approved.	120
92	Mr. Osborn to Mr. Evarts (No. 160).	Aug. 26	Neutral rights: alleged violations of, by Chilians at Talara and Lobos, and ill treatment of Mr. Campbell; note from foreign office vindicating Chilians' course at Lobos and Talara inclosed; purpose of legation's note, viz, greater respect for neutral rights accomplished; report of investigation in Mr. Campbell's case not yet received.	121
93	Same to same (No. 161)	Aug. 27	Mediation: Department's telegram of August 17 is gratifying to President of Chili; has requested Mr. Christiancy and Mr. Adams to learn the views of Peru and Bolivia; our movement for peace embarrassed by counter movement on part of other foreign governments; proposition made to Chili by Peru at request of diplomatic corps at Lima to appoint a peace negotiator.	123
94	Same to same (No. 163)	Sept. 2	Peace conference: Mr. Christiancy's visit to Santiago doing no good; peace conference probably will be held at Arica middle of October; Chili has determided upon the appointment of three negotiators.	124
95	Same to same (No. 164).....	Sept. 9	Chili's proposed mode of warfare is a violation of neutral rights; no reply made to legation's protest; explanation of excesses of Chilian soldiery; reply to No. 98.	125
96	Same to same (No. 165)	Sept. 13	Prisoners of war: exchange of, between Chili and Bolivia; correspondence on the subject inclosed; reply to No. 100; no further action taken at Santiago in the matter.	126

2. CHILI—Continued.

No.	From whom and to whom.	Date.	Subject.	Page.
		1880.		
97	Mr. Osborn to Mr. Evarts (No. 167).	Sept. 17	Peace question: pernicious effect of Mr. Christiancy's visit to Santiago.	128
98	Mr. Evarts to Mr. Osborn (telegram).	Sept. 28	Peace question: "Proceed as proposed if belligerents accede; instructions to our vessels when you telegraph for them."	129
99	Mr. Osborn to Mr. Evarts (No. 169).	Sept. 30	Mediation: Government of Chili is committed to a more vigorous prosecution of the war, but our mediation may bring about peace, though it is unlikely, in consequence of the indisposition of Peru to make adequate concessions; Chili will probably not assent to an armistice pending peace negotiation; destruction of Chimbote by the Chilians; vindicatory explanations thereof; neutral property to be respected by Chilians; does not agree with Mr. Christiancy that refusal of Chili to assent to an armistice would be disrespectful to the United States.	129
100	Same to same (No. 171)	Oct. 6	Mr. Christiancy's visit to Santiago; embarrassing position in which Chili was placed by that visit; refers to his No. 167; Mr. Osborn is astonished that Chili has not withdrawn her acceptance of our mediation.	130
101	Same to same (No. 172)	Oct. 8	Mediation accepted through note from foreign office, inclosed; Chili declines to suspend hostilities pending peace negotiations.	131
102	Mr. Evarts to Mr. Osborn (No. 109).	Oct. 14	Mediation: proceedings of legation for, by the United States seem to prosper thus far; full advices awaited; no. 163, and telegram of the 9th instant, received.	132
102½	Mr. Osborn to Mr. Evarts (telegram).	Oct. 28	Conference closed without result.	133
103	Same to same (No. 173).....	Oct. 28	Peace conference: termination of; failure of peace negotiations; surprise at Peru's refusal to cede Tarapaca; Chilian expedition against Lima; armed intervention of European powers not apprehended at present.	133
104	Mr. Valderrama to Mr. Asta-Buruaga.	Nov. 11	Peace conference: Expressing regret at failure thereof, but sincere thanks for mediation and good disposition of the United States, and commending conduct of Mr. Osborn.	134
105	Mr. Evarts to Mr. Osborn (telegram).	Nov. 19	Neutrals: instructed as to taking action for protection of lives and property of, when Lima is attacked by Chilians.	135
106	Mr. Valderrama to Mr. Asta-Buruaga.	Nov. 22	Peace conference: Chili not to blame for failure of; she would not have accepted mediation of the United States and gone into the conference had she not been assured by Mr. Christiancy that Peru would cede Tarapaca.	135
107	Same to same	Nov. 22	Peace conference: embarrassing misrepresentations of Chili's attitude regarding acceptance of mediation of the United States; commendation of Mr. Osborn's course.	136
108	Mr. Osborn to Mr. Evarts (No. 181).	Nov. 23	War policy of Chili; she proposes to take Tarapaca from Peru not by right of conquest, but as indemnity for war damages; vindication of Chili's refusal to submit to arbitration; foreign office circular explaining Chili's war policy inclosed.	141
109	Same to same (No. 182).....	Nov. 30	Neutrals: protection of lives and property in the event of the capture of Lima by the Chilians; confirms his telegram of the 26th instant; incloses foreign office note that Chili has taken due precaution for the safety of neutrals and their property.	146
110	Mr. Evarts to Mr. Osborn (No. 115).	Dec. 27	Arbitration: instructed to correct erroneous impression that the United States would not cheerfully act as arbitrator, which a certain remark made by him during peace conference may have caused.	147
		1881.		
111	Mr. Osborn to Mr. Evarts (No. 187).	Jan. 3	Guano bonds of Peru: statement of position of Chili respecting payment of.	148
112	Same to same (No. 190).....	Jan. 14	Arbitration between Chili and Colombia: designation of President of the United States as arbitrator; Chili asks whether the President will accept the position; Mr. Osborn replies in the affirmative; correspondence inclosed; reply to No. 108.	149

2. CHILI—Continued.

No.	From whom and to whom.	Date.	Subject.	Page.
		1881.		
113	Mr. Evarts to Mr. Osborn (No. 119).	Feb. 10	Peace question: urge upon Chili the desire of the United States to bring about peace; now that the Chilians have captured Lima and Callas, it is believed that Peru will accept mediation of the United States upon any reasonable terms; advises him of instruction of this date to Mr. Christiancy.	151
114	Mr. Osborn to Mr. Evarts (No. 195).	Feb. 24	Peace conference: vindication of remarks made by him during it, in regard to arbitration; they did not make any erroneous impression on Chili as to disposition of the United States; reply to No. 115.	151
115	Mr. Osborn to Mr. Blaine (No. 198).	Mar. 23	Peace question: no prospects of early solution of; the situation in Peru; attitude of Chili; Mr. Osborn will do all in his power to effect an early peace. Chilian general's account of capture of Lima and its immediate antecedents, inclosed.	153
116	Same to same (No. 201).....	Apr. 5	Peace question: prospects for solution of, very remote; Chili's hopes in the Calderon government of Peru have been greatly weakened; demoralization in Peru prevents establishment of a stable government; course which Chili may adopt.	155
117	Mr. Osborn to Mr. Blaine (No. 202).	Apr. 6	Mediation: Great Britain, France, and Italy tender their mediation to Chili; it is rejected by Chili; the Europeans neither dissatisfied nor disappointed.	155
118	Mr. Martinez to Mr. Hitt....	May 6	Protectorate over Peru: vehemently denies rumor that Chili intends to establish the same.	156
119	Mr. Osborn to Mr. Blaine (No. 205).	May 7	Peace question: determination of Chili to strengthon the Calderon government in Peru and to treat with it for peace; Mr. Godoy, former minister to the United States, goes to Lima in charge of negotiations; recommends Chili's course; advice given her by Mr. Osborn; she will certainly insist upon cession of Tarapaca and possibly Mosequegua.	156
120	Mr. Blaine to Mr. Kilpatrick (No. 2).	June 15	Intervention: instructed to encourage disposition of Chili to restore self-government in Peru; to urge Chili to enter into negotiations for peace before deciding to take portion of Peru as war indemnity, and to endeavor to have European intervention excluded from adjustment of the peace question.	157
121	Mr. Kilpatrick to Mr. Blaine (No. 3).	Aug. 15	Peace question: reports his efforts to induce Chili to adopt views of the United States; counteracting and bad effect produced in Chili by published statements of United States minister at Lima, that United States will not allow acquisition of territory by Chili from Peru.	160
122	Same to same (No. 8)	Oct. 14	Policy of the United States: erroneous and disquieting statement by Minister Hurlbut at Lima concerning; denial of its truths and counteraction of its effects by Mr. Kilpatrick reported; note to Minister Balmaceda inclosed.	162
123	Mr. Martinez to Mr. Blaine.	Oct. 24	Complains of the conduct of Mr. Hurlbut the United States minister at Lima; extracts from newspapers inclosed, which give the cause of complaint.	164
124	Same to same	Oct. 27	Unfriendly attitude of Mr. Hurlbut, towards Chili: Mr. Martinez incloses a note from his government instructing him to ascertain if views of the United States are in accord with those of Mr. Hurlbut.	166
125	Same to same	Oct. 28	Suppression of the Calderon government of Peru by Chili: propriety with which the Chilian commander proceeded in the matter set forth.	167
126	Mr. Blaine to Mr. Kilpatrick. (No. 13).	Nov. 22	Peace question: his note to the foreign office to allay apprehension and correct false impression produced by the United States minister at Lima strongly disapproved; Chili had no grounds for apprehension and should not have applied to legation; her course in suppressing Calderon government unintelligible in view of her previous assurances, reported in legation's No. 3; arrest of Calderon regretted; hopes it is not intended as a rebuke to the United States on account of differences between him and his colleague at Lima; a special envoy will be sent to endeavor to arrange a peace; reply to No. 8.	168

2. CHILI—Continued.

No.	From whom and to whom.	Date.	Subject.	Page.
		1881.		
127	Mr. Blaine to Mr. Kilpatrick (telegram).	Nov. 25	Calderon government; its suppression and arrest of President Calderon are not understood by United States; special envoy leaves Washington for Chili immediately, and it is hoped that further action will await his arrival.	169
128	Mr. Martinez to Mr. Blaine.	Nov. 26	Peace question: sets forth illusory hopes and impertinent attitude of the Peruvians and the obnoxious officiousness of United States minister at Lima which, if persisted in, will render peace impossible; denies rumors that Chili's demands upon Peru are inequitable and her rule cruel.	169
129	Mr. Blaine to Mr. Kilpatrick (No. 16).	Nov. 30	Relieves him of negotiations for solution of peace question; informs him as to appointment and powers of Mr. Trescot as special envoy extraordinary and minister plenipotentiary to conduct such negotiations; appointment of Third Assistant Secretary of State as assistant to Mr. Trescot; Mr. Kilpatrick expected to aid Mr. Trescot.	171
130	Mr. Blaine to Mr. Trescot (No. 1).	Nov. 30	Personal instructions as special envoy extraordinary and minister plenipotentiary to Chili, Peru, and Bolivia to negotiate for solution of peace question.	172
131	Mr. Blaine to Mr. Walker Blaine.	Nov. 30	Personal instruction as attaché to special mission for settlement of the peace question.	173
132	Mr. Blaine to Mr. Trescot (No. 2).	Dec. 1	Reviews previous instructions and steps which led to recognition of Calderon government; the act an adoption of policy friendly to Chili; it was followed by Chilian military order forbidding Calderon government to exercise its functions; President will not assume this as done in consequence of the recognition by the United States; if such a motive should be avowed, Mr. Trescot instructed to say that it is regarded as an intentional offense, and to suspend diplomatic intercourse, but he may receive any explanation which does not involve a disavowal of Mr. Hurlbut. The United States wishes first to stop bloodshed and misery; second, to take care that the Government of the United States is treated with the consideration to which it is entitled, and would be satisfied with manifestation of purpose in Chili either to restore Calderon government or establish one which will be allowed freedom of action in negotiations. Should Chili refuse to allow formation of government not pledged to consent to cession of territory, he is to express dissatisfaction of the United States. The United States recognizes Chili's right to adequate indemnity and guarantee, but that the exercise of the right of absolute conquest is dangerous; and the United States think that Peru has the right to demand an opportunity to find indemnity and guarantee without cession of territory. The prohibition of the formation of a government is practical extinction of the State. If good offices are refused on this basis, the United States holds itself free to appeal to the other republics of the continent to join with it. Instructions given in accordance, and a temporary convention counseled.	174
133	Mr. Kilpatrick to Mr. Blaine (No. 9).	Dec. 2	Peace question: Chili promised Mr. Kilpatrick that she would not demand cession of territory as absolute condition, and that she would build up and strengthen Calderon's government; these promises would have been fulfilled but for the representations made by Mr. Hurlbut of the attitude of the United States. Reasons for suppression of Calderon; bad faith. Coming of special mission creates excitement, and alleged support by United States of the Peruvian Company scheme greatly intensifies it. Extreme illness of Mr. Kilpatrick.	179
134	Mr. Blaine to Mr. Trescot (No. 3).	Dec. 2	Congress of American governments: authorized to return home by way of Argentine Republic and Brazil and to urge the governments of those countries to accept our invitation to such Congress.	181

2. CHILI—Continued.

No.	From whom and to whom.	Date.	Subject.	Page.
		1881.		
135	Mr. Martinez to Mr. Blaine.	Dec. 5	Calderon government; announces the imprisonment of President Calderon by Chili; reasons for; states that Chili never recognized Calderon. Peruvian General Montero has accepted the vice-presidency, and a Peruvian committee has started from Lima to bring about a peace through Montero. Gives number of forces under Pierola and his adherents. Peru unwilling to make peace upon terms proposed by Chili.	181
136	Mr. Foote to Mr. Blaine (No. 83).	Dec. 9	Peruvian bondholders; rumor of an arrangement with European powers by Chilian Government for protection of. Excitement caused by statements of United States minister at Lima. Distrust in friendship of the United States caused by same.	183
137	Mr. Blaine to Mr. Walker Blaine.	Dec. 9	Chargé; instructed to assume duties as, on his arrival at Santiago.	184
138	Mr. Blaine to Mr. Trescot (No. 4).	Dec. 16	Claims of the United States citizens *vs.* Peru: Cochet claim and Landreau claim. Explains position of the United States regarding them, in order to correct misstatements which are being circulated by the press. If Chili should acquire territory from Peru, it is expected that whatever rights Mr. Landreau may have in such territory will be respected by Chili. Correspondence with minister at Lima inclosed.	184
139	Mr. Martinez to Mr. Frelinghuysen.	Dec. 28	Political situation in Peru, statement of; war spirit and anarchy.	185
		1882.		
140	Mr. Frelinghuysen to Mr. Trescot (telegram).	Jan. 3	Pacific influence; informs him that same should be exerted, and all issues which might lead to his withdrawal from Chili avoided.	186
141	Same to same (telegram).....	Jan. 4	Impartial extension of friendly offices to both republics; exertion of pacific influence, and avoidance of possibly offensive issues, are desired by the President. Directs him not to return via Buenos Ayres. Calderon difficulty can be settled here.	186
142	Mr. Frelinghuysen to Mr. Martinez.	Jan. 7	Arrest of President Calderon; requested to repeat in writing the assurance given orally by him that it was not instigated by an unfriendly feeling towards the United States.	186
143	Mr. Frelinghuysen to Mr. Trescot (No. 6).	Jan. 9	Refers to cablegrams. Modifies previous written instructions. President desires no dictation to either power as to merits of controversy, as to indemnity, as to change of boundaries, or as to personnel of government; he has no right or inclination to dictate to independent republics; an attitude of dictation would necessitate the taxation of our people to support an army and navy for the exclusive benefit of foreign nations; his policy that of Washington; is ready to extend kindly offices of United States impartially to both parties; revokes former instruction as to suspension of diplomatic intercourse; reserves to himself the right to determine such question; does not wish Mr. Trescot to visit Atlantic republics as envoy after leaving Chili; will determine hereafter whether he wishes to enter into further negotiations for continuance of peace with selected nations without also inviting other powers. The principles controlling the relations of American republics with each other are well established, and little to be gained by reopening the subject. President prefers time for deliberation.	186
144	Mr. Martinez to Mr. Frelinghuysen.	Jan. 10	Montero's pretended administration a farce; presence of Chilian army necessary in Lima to prevent anarchy. Expedition sent by Chili against Peruvian Chief Cáceres. Peruvians responsible for consequences of their foolhardy obstinacy. Assumption of administration of finances of Peru by General Lynch. Threat of Bolivia to invade Tarapaca will not be carried out. Mr. Hurlbut's letter to the notables of Lima inclosed, with comments as to its extraordinary character.	188
145	Same to same	Jan. 10	Suppression of Calderon government; states Chili's reasons for; it was intended as an affront to the United States.	190

2. CHILI—Continued.

No.	From whom and to whom.	Date.	Subject.	Page.
		1882.		
146	Mr. Frelinghuysen to Mr. Martinez.	Jan. 16	Arrest of Calderon; note giving assurance that it was not intended as an affront to the United States received with gratification.	193
146½	Mr. Martinez to Mr. Frelinghuysen.	Jan. 18	Municipal government of Lima; assumption of by the Chilians announced and justified. Rival factions in Peru; incloses letter of Minister Hurlbut to the head of one of them, the guerilla chief, Cáceres, advising unification of factions and desistance from opposition to Montero. Mr. Martinez regards this as a strange document.	193

3. PERU.

		1879.		
147	Mr. Gibbs to Mr. Evarts (No. 311).	Feb. 19	Rupture of friendly relations between Bolivia and Chili, particulars of: treaty ceding certain territory to Bolivia annulled by Chili, and the territory in question taken possession of by Chili; ill feeling of Peru toward Chili, and her probable participation in the quarrel in behalf of Bolivia.	195
148	Same to same (No. 314).....	Feb. 26	Hostilities between Bolivia and Chili: minister of Chili at La Paz demanded and received his passport on the 15th instant; Chilian forces in possession of Bolivia's seaports; supplies for Peru from Argentine Republic cut off.	197
149	Same to same (No. 316).....	Mar. 5	Participation of Peru with Bolivia probable: statements in legation No. 314 confirmed; Chilian forces have established military and civil government at all points in Bolivia occupied by them.	198
150	Same to same (No. 317).....	Mar. 12	War with Chili: note from Bolivian minister at Lima, stating that Bolivia has accepted the war forced upon her by Chili, inclosed; Chili contends that the Bolivian territory just occupied by her was ceded to Bolivia on certain conditions, which conditions not having been fulfilled, she now merely repossesses herself of her former territory; Peru is making warlike preparations, but may not take part in the struggle; various decrees of Bolivian executive inclosed.	198
151	Same to same (No. 322)	Mar. 19	Peru apparently becoming involved: decree of President of Bolivia expelling Chilians and embargoing their property inclosed.	202
152	Same to same (No. 323).....	Mar. 26	Warlike preparations of Peru: session of Congress called to determine position to be taken by Peru, and to adopt suitable measures; thinks Chili will attack Peru before the latter declares war.	203
153	Same to same (No. 326).....	Apr. 2	War declared against Peru by Chili: suggests that United States send war vessel to protect American interests; Bolivians defeated in a skirmish; the whole Bolivian coast occupied by Chilians.	203
154	Same to same (No. 329).....	Apr. 8	Legation of the United States has expressed regret to foreign office at the rupture between the two governments; correspondence inclosed.	204
155	Same to same (No. 330).....	Apr. 9	Progress of war: blockade of Iquique; movement of Peruvian troops; Chilian minister takes refuge on United States steamer Lackawanna; arrival of United States steamer Pensacola at Iquique; newspaper account of events inclosed.	210
156	Mr. Evarts to Mr. Christiancy (No. 4).	Apr. 9	Approves action of Mr. Gibbs in reporting relative to the war; expresses gratification at the decision of Peru in deciding to maintain strict neutrality.	211
157	Mr. Christiancy to Mr. Evarts (No. 6).	Apr. 29	Proclamation of President of Peru declaring that treaty between Peru and Bolivia compels Peru to go to war; incloses note from Chilian foreign office transmitting passports to Peruvian minister, and message of President of Peru to Peruvian Congress explaining his course, and reply of Congress approving it.	211

3. PERU—Continued.

No.	From whom and to whom.	Date.	Subject.	Page.
		1879.		
158	Mr. Christiancy to Mr. Evarts (No. 7).	Apr. 29	Neutrals domiciled in Peru: incloses joint note of diplomatic corps in Lima to Chilian admiral, setting forth duties of a belligerent toward, and warning him that his government will be held responsible for injuries which have been perpetrated upon, by Chilian naval forces.	216
159	Same to same (No. 13)	May 12	Progress and effects of war: immense injury to neutrals; possibility of revolution in Peru; her financial embarrassment; plans for its relief; coasting trade thrown open to all foreign vessels; apprehension that Bolivia will desert Peru.	218
160	Mr. Tracy to Mr. Evarts....	May 15	Incloses documents setting forth antecedents of war and copy of Peru-Bolivian treaty of defensive alliance: Peru not blamable for the war; it has been forced upon her by Chili.	221
161	Mr. Christiancy to Mr. Evarts (No. 16).	May 21	President Prado takes command of the army and navy and sails south: Luis de La Puerta, vice-president, assumes Presidency *ad interim*, and forms a new cabinet; names of new cabinet officers; the public pleased with them.	222
162	Same to same (No. 18)	May 27	Progress of war: naval engagements; financial measures.	223
163	Same to same (No. 20)	June 2	Bolivian decree authorizing privateering inclosed: it conflicts with our treaty, and legation has called attention of the United States minister at La Paz to it.	225
164	Mr. Evarts to Mr. Christiancy (No. 20).	June 18	Approves action in behalf of neutral rights reported in his No. 7; European capitalists are seeking to bring about an undue observance of such rights during present war; the United States not disposed to have belligerent rights abridged in behalf of neutrals; opinion of Attorney-General Stanbery justifying bombardment of unfortified places inclosed.	227
165	Mr. Tracy to Mr. Evarts....	June 24	Manifesto vindicating the cause of Peru inclosed.	229
166	Mr. Christiancy to Mr. Evarts (No. 25).	June 25	Privateering: refers to his No. 20, and says he has represented to minister of foreign affairs that trouble is likely to arise between the United States and Bolivia if the position of Bolivia relative to, is adhered to, and suggests that Peru so inform Bolivia.	236
167	Mr. Evarts to Mr. Christiancy (No. 24).	June 26	Privateering projects of Bolivia: copy of Department's No. 12 to the United States minister at La Paz inclosed; instructed to inform Peru that the United States does not intend to permit any violation of its neutrality laws.	237
168	Mr. Evarts to Mr. Tracy....	June 27	Note of 24th instant, inclosing manifesto vindicating Peru's cause, received.	238
169	Mr. Christiancy to Mr. Evarts (No 34).	July 15	Blockade of Iquique: question whether leaving port open at night, by withdrawal of blockading squadron and resuming position in morning, renders blockade ineffectual.	238
170	Mr. Evarts to Mr. Tracy	July 19	Note of 16th instant, transmitting report made to Peruvian Congress by minister for foreign affairs, which sets forth antecedents of war, received; thanks.	240
171	Mr. Christiancy to Mr. Evarts (No. 36).	July 20	Military situation at present: visit of Mr. Pettis to Lima; his and Mr. Christiancy's efforts to bring about peace; basis of peace discussed with Peruvian minister for foreign affairs; the latter's position; Peru will accept a peace proposals from Chili.	240
172	Same to same (No. 37)	July 22	Rumored proffers of mediation by the United States, based upon statements of Col. H. N. Fisher, who represented himself as special envoy from the United States to bring about peace.	244
173	Same to same (No. 39).....	July 23	Question whether Chili has right, without blockading Pisagua, to stop shipment of nitrates therefrom; consul at Iquique instructed to protest against stoppage of any American vessel in the nitrate trade; blockade at Iquique not regarded as raised.	246
174	Mr. Tracy to Mr. Evarts....	July 24	Neutrality of Colombia: protest against action of Panama in preventing the shipment of munitions of war across the Isthmus as being a violation of neutrality; requests intervention of the United States.	247

3. PERU—Continued.

No.	From whom and to whom.	Date.	Subject.	Page.
		1879.		
175	Mr. Christiancy to Mr. Evarts (No. 41).	July 30	Bombardment of Iquique by Chilian naval forces: protest of consular corps against; correspondence between the consular corps and Chilian admiral; the latter justifies the bombardment; legation leans to the opinion that the bombardment was justifiable.	250
176	Same to same (No. 42).....	July 30	Progress of war; Peruvian successes.....	254
177	Same to same (No. 46).....	Aug. 5	Blockade of Iquique has been raised.....	255
178	Mr. Evarts to Mr. Christiancy (No. 29).	Aug. 8	Blockade of Iquique: views and proceedings set forth in his No. 34 approved; action he should take in case the blockade should at any time prove ineffectual, stated.	255
179	Same to same (No. 30)	Aug. 8	Mediation of Colombia for cessation of hostilities between the belligerents: instructed to express to Colombian envoy, who will visit Lima to proffer mediation, the friendly solicitude of the United States as to the result of his mission.	255
180	Mr. Christiancy to Mr. Evarts.	Aug. 12	False impressions created by Mr. S. Newton Pettis as to the character of his mission; condemns Mr. Pettis' course.	256
181	Mr. Seward to Mr. Christiancy (No. 32).	Aug. 18	Mediation of the United States for cessation of hostilities: approves Mr. Christiancy's reserve in conversing with Col. H. N. Fisher, who has no official connection with Government of the United States; Department imparted to him its position on the subject of mediation; reply to No. 37.	258
182	Mr. Seward to Mr. Christiancy (No. 33).	Aug. 18	Mr. Christiancy's efforts and suggestions in behalf of cessation of war approved; reply to No. 36.	258
183	Same to same (No. 34)	Aug. 18	Blockade of Iquique: instruction to consul, inclosed in his No. 39, in regard to, approved.	259
184	Mr. Seward to Mr. Tracy ...	Aug. 19	Transportation of munitions of war across the Isthmus of Panama: his note of 24th ultimo, asking the Department to request Colombia to permit same, will receive consideration.	259
185	Mr. Tracy to Mr. Evarts ...	Aug. 22	Transportation of munitions of war across the Isthmus of Panama: Colombia has disapproved action of Panama in preventing same.	259
186	Mr. Seward to Mr. Christiancy (No. 36).	Aug. 25	Bombardment of Iquique: views of legation and its dispatch to consul at Iquique upon the subject approved; reply to No. 41.	260
187	Mr. Christiancy to Mr. Evarts (No. 47).	Aug. 26	Peace question: asks whether it would be proper for United States to offer mediation, and whether the United States would accept position of arbitrator; belligerents not disposed for peace; they desire first to try their strength; remarks of Mr. Christiancy to Colombian envoy; great regard manifested by Peru and Bolivia for the United States; mistaken views of Mr. Pettis as to prospect of peace.	260
188	Same to same.....	Sept. 1	Peace question: notes to United States ministers at Santiago and La Paz, setting forth views of Mr. Christiancy as to course which should be pursued by the legation of the United States in belligerent countries, inclosed.	262
189	Same to same (No. 49)	Sept. 2	Peace question: imprudence of Mr. Pettis has given rise to the impression in Chili that the United States intends to intervene; newspaper articles exhibitory of this impression inclosed, states what has been Mr. Christiancy's position in conversing on the subject of peace.	264
190	Mr. Tracy to Mr. Evarts ...	Sept. 4	Documents setting forth unjustness of Chili's cause, inclosed; principal events of the war; Peru's successes thus far; reprehensible character of warfare practiced by Chili; will keep the department advised as to progress of the war.	267
191	Mr. Hunter to Mr. Tracy ...	Sept. 10	Note of 4th instant, narrating events of war, received, and will be duly considered.	270
192	Same to same.....	Sept. 10	Transportation of munitions of war across the Isthmus of Panama; note of 22d ultimo, stating that Colombia has disapproved action of Panama in prohibiting such transportation, received.	270
193	Mr. Christiancy to Mr. Evarts (No. 53).	Sept. 10	Peace question: reports having assured Colombian envoy, in advance of receipt of Department's 30, that the legation would co-operate with him in any reasonable measures for peace; Bolivia and Peru desire peace as soon as possible; they seriously apprehend obnoxious foreign intervention; they would welcome any efforts	270

3. PERU—Continued.

No.	From whom and to whom.	Date.	Subject.	Page.
		1879.		
193	Mr. Christiancy to Mr. Evarts (No. 58)—Continued.	Sept. 10	on the part of the United States to thwart such intervention; Chili would also; she is now negotiating with Brazil for an offensive and defensive alliance; legation of opinion that tender of friendly mediation by the United States would not offend any one of the belligerents; instructions requested.	
194	Same to same (No. 59)	Sept. 17	Peace question: ostentatious pretensions of Colonel Fisher, bearer of dispatches, have tended to place the United States in a ridiculous attitude; newspaper articles in reference to Mr. Fisher's supposed mission, inclosed; has informed foreign office that the United States will be ready to mediate for peace whenever she shall be requested to do so by the other belligerents.	272
195	Same to same (No. 61)	Sept. 24	Visit of Mr. Pettis and Mr. Fisher: newspaper article ridiculing their course, and expressing indifference as to whether the United States shall tender its good offices or not, inclosed; Peru and Bolivia anxious for peace, and for the employment by the United States of its good offices when the proper time arrives; has again informed Peruvian Government that the United States will be ready to mediate when asked by the belligerents to do so.	273
196	Same to same (No. 62)	Sept. 24	Privateering on the part of Bolivia: England has increased her naval force on the Pacific for protection of British commerce; Bolivia has no port to which prizes could be brought for adjudication, and it is very doubtful whether she can use Peru's ports for such a purpose; instructions relative to privateering requested.	275
197	Same to same	Sept. 24	Letter to United States minister at Santiago relative to a course for him to pursue in regard to peace, which Mr. Christiancy regards as the only one that can be successful, inclosed.	275
198	Mr. Hunter to Mr. Christiancy (No. 39).	Oct. 1	Views which have been expressed by minister in conversation in Lima, concerning peace question, approved; the United States does not tender its good offices for peace, but will not hesitate to use them for that purpose if called upon by belligerents to do so; the United States will not engage in any intervention which is not solicited, or which is in disparagement of belligerent rights; Mr. Pettis's unauthorized and rash experiment in visiting Lima and Santiago has had some good effects; statements in Chilian newspapers adverse to Mr. Pettis regarded as unfounded.	277
199	Mr. Evarts to Mr. Christiancy (No. 40).	Oct. 13	Pacific instructions requested in his No. 59 have already been given; approves action reported in his No. 59; instructs him as to correction of any wrong impression which may have been created by Mr. Pettis or Mr. Fisher as to policy of the United States; he may pledge immediate action by the United States for peace, provided no other government be invited to mediate.	278
200	Mr. Christiancy to Mr. Evarts (No 64).	Oct. 14	War indemnities: should be pecuniary, not territorial: capture of the monitor Huascar by Peruvian fleet reported; this event is unfavorable for peace.	278
201	Mr. Tracy to Mr. Evarts ...	Oct. 17	Betrayal of Peru by Bolivia: documents inclosed showing effort of Chili to induce same; severely animadverts upon this effort of Chili.	279
202	Mr. Seward to Mr. Tracy	Oct. 21	Betrayal of Peru by Bolivia: documents tending to show efforts of Chili to induce same, which accompanied his note of 17th instant, will be considered.	282
203	Mr. Seward to Mr. Christiancy (No. 42).	Oct. 22	Approves his suggestion to Mr. Osborn as to his course: Department adheres to policy indicated in previous instructions; reply to No. 62½.	282
204	Mr. Christiancy to Mr. Evarts (No. 70).	Oct. 28	Prospects as to future hostilities; present inactivity.	282
205	Same to same (No. 75)	Nov. 3	Progress of war: prospects.....	283
206	Same to same (No. 80)	Nov. 11	Interdiction by Peru of commerce with Chili: question as to conflict between decree of interdiction and our treaty with Peru; decree inclosed; position of England and France on subject.	285
207	Same to same (No. 83)	Nov. 19.	Progress of war: prospects as to military operations; large defensive force at Lima.	287

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		1879.		
208	Mr. Hay to Mr. Christiancy (No. 47).	Nov. 26	Communication between legation and Department: if same should be cut off by Chili, he should not adopt any special means of communication, except in case of absolute necessity.	288
209	Mr. Christiancy to Mr. Evarts (No. 87).	Nov. 26	Blockade of Iquique by Chilian war vessel, reported.	289
210	Same to same (No 88)	Nov. 26	Progress of war: a signal victory for Chili; mutiny of Bolivian troops; rumored desertion of Peru by Bolivia and alliance with Chili: revolution expected in Peru; instructions invited with respect to recognition of a new government in Peru.	289
211	Same to same (No. 90)	Dec. 3	Capture of Iquique and blockade of Arica by Chilians; resumption of Presidency by General Prado; new ministry; Peruvian victory at Arica; Pierola does not desire to become dictator at present.	291
212	Same to same (No. 91)	Dec. 7	Political: change of ministry; manifesto of Pierola, setting forth his position, and condemning the constitution of Peru as the source of all Peru's calamities; Mr. Christiancy shows, however, that the constitution is a very flexible one and need not embarrass the government; Peru requires just such a constitution; decree whereby the government monopolizes purchase of silver produced in Peru, and increases export-tax on sugar, inclosed.	292
213	Same to same (No. 93)	Dec. 16	Very little progress in war: port of Ilo blockaded by Chilian navy; allied troops massing at Arica; enlistments for Peruvian army active; disaffection in Bolivia turns out to have been in favor of vigorous support instead of desertion of Peru; depreciation of Peruvian paper currency.	295
214	Same to same (No. 94)	Dec. 23	Revolution in Peru: departure of President Prado for United States, on 18th instant, leaving vice-president as President; motives for this action on part of Prado; want of confidence in the government, and a general wish for assumption of the government by Pierola manifested immediately upon Prado's departure; fight between Pierolists and government troops near the United States legation in Lima; army declares for Pierola; noble conduct of Prado's minister of war; government abdicates, and Pierola assumes control of affairs without opposition; character of Pierola; instructions as to recognition of his government requested; explanatory documents inclosed.	296
215	Same to same (No. 97)	Dec. 24	Legation's instructions to consul at Iquique, as to his duties while that port remains in possession of the Chilians, inclosed.	301
216	Same to same (No. 98)	Dec. 31	Refers to legation's No. 94, and incloses the decree of Pierola, and letter written by President Prado, at Guayquil, while en route to the United States; these papers show the character and status of present Government of Peru.	302
217	Same to same (No. 99)	Dec. 31	Question of recognition of Pierola's government: conference of diplomatic corps; all of the corps but Mr. Christiancy decide to recognize Pierola; Mr. Christiancy informs foreign office that recognition of the new government is not within his discretion, and he must await Department instructions, but he will attend at public ceremonies upon the understanding that such course shall not be construed as recognition.	306
		1880		
218	Same to same (No. 102).....	Jan. 6	Progress of war: Chilian successes and probable projects; massing of troops by Peru at Lima and Callao; deposition of General Daza from command of Bolivian army; rumor of revolution in Bolivia; financial condition of Peru more likely to grow worse than to improve; speculation as to use to be made of Peruvian forces now at Callao and Lima.	307
219	Same to same (No. 103).....	Jan. 7	Refers to legation's No. 94, and incloses protest of General de la Cotera who was Prado's minister of war; character of General de la Cotera; objectionableness of Pierola's government owing to its dictatorial character; said government is conciliating the Roman Catholic influences, to which it owes its existence; it is more active, vigorous, and consistent of purpose than its predecessor, and merits recognition.	308

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No.	From whom and to whom.	Date.	Subject.	Page.
		1880.		
220	Mr. Christiancy to Mr. Evarts (No. 104).	Jan. 14	Decrees of the Dictator of Peru regarding foreign debt of Peru, guano contracts and guano loan, state obligation, release of the "Luxor" and income tax, inclosed: observations respecting case of the "Luxor"; declension of Mr. Christiancy to express an opinion in regard to it when asked to do so.	311
221	Same to same (No. 105).....	Jan. 14	Damages to American property by Chilian forces: inclosed dispatch from consul at Lambayeque reporting same, and letter addressed by Mr. Christiancy to Mr. Osborn informing latter as to the damages, for the purpose of having him bring the matter to the attention of the Chilian Government.	317
222	Mr. Calderon to Mr. Evarts.	Jan. 14	Blockades of Peruvian ports which Chili proclaims established, are paper blockades, not effective, and should be disregarded by neutrals; interdiction of commerce with Chili by previous administrations of Peru has been annulled.	318
223	Same to same.....	Jan. 14	Neutral vessels carrying guano from deposits in ports of Peru which have been occupied by Chilian forces: Peru claims right to seize them.	319
224	Mr. Christiancy to Mr. Evarts (No. 106).	Jan. 21	Decrees of Dictator of Peru respecting Peruvian Nitrate Company, rights of railway constructors, currency, civil and penal codes, and the value of the paper sole, fixing export tax on sugar, and suppressing a newspaper, inclosed; circulars of Peruvian foreign office respecting inefficiency of blockade established by Chilian navy and denying rights of neutral vessels to transport guano from Peruvian deposits which are now in possession of Chili, also inclosed; instructions on last-mentioned subject requested.	320
225	Same to same (No. 108).....	Jan. 21	Progress of war.....	322
226	Mr. Evarts to Mr. Christiancy (telegram).	Jan. 24	Recognition of Pierola's government: leaves time and manner of, to minister's discretion.	322
227	Same to same (No. 55)	Jan. 26	Recognition of Pierola's government: question of, is left to ministers.	322
228	Mr. Christiancy to Mr. Evarts (No. 111).	Jan. 28	Blockade of Mollendo by Chilian forces: instruction given by legation to consular agent at Arica respecting observance of, inclosed.	323
229	Same to same (No. 112)	Jan. 28	Submits question as to rights of consul at Iquique, which is now in possession of Chilian troops, to grant clearances to vessels loaded with nitrate taken from beds which belong to Peru, but are now in possession of Chili; letter to the consul advising him not to give clearances to such vessels and instructing him as to his duties in his present anomalous position, inclosed.	324
230	Mr. Evarts to Mr. Tracy....	Jan. 31	Recognition of Pierola's government: ceremonial letter received; friendly expressions.	326
231	Mr. Evarts to Mr. Christiancy (No. 57).	Feb. 4	Recognition of Pierola's government: instructed to recognize Pierola's government if he has not already done so; note of the 31st ultimo from Department to Peruvian chargé, inclosed.	326
232	Mr. Christiancy to Mr. Evarts (No. 115).	Feb. 10	Recognition of Pierola's government: note to foreign office recognizing said government, inclosed.	327
233	Same to same (No. 117)	Feb. 11	Belligerent rights: refers to his No. 112, and inclosed letter to consul at Iquique, stating that in his previous letter by granting of clearances he meant delivery to vessels of their papers.	327
234	Mr. Evarts to Mr. Christiancy (No. 58).	Feb. 18	Damages to American property by Chilian forces at Lobos Island; action of legation as reported in No. 105 approved.	328
235	Same to same (No. 63)	Mar. 1	Denies right of Peru to seize neutral vessels loaded with nitrates taken from beds which belong to Peru, but which are now in military possession of Chili, as treaty provides that free ships make free goods; instructed to enjoin Peru not to enforce her claimed rights; reply to No. 106; notes to foreign office in reply to its circulars inclosed for delivery.	328
236	Mr. Evarts to Mr. Calderon.	Mar. 1	Neutral vessels loaded with nitrate taken from beds which belong to Peru and are now in military possession of Chili; right claimed by Chili to seize same; United States legation at Lima will inform Peru of Department's views on subject; reply to note of 14th January.	29

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		1880.		
237	Mr. Evarts to Mr. Calderon.	Mar. 1	Blockades established by Chili at Peruvian ports: inefficiency of; if Chili seizes any American vessel for entering a port which is insufficiently blockaded she will be required to make reparation; reply to note of 14th January.	330
238	Mr. Evarts to Mr. Christiancy (No. 64).	Mar. 1	Blockade of Mollendo by Chilian squadron; legation's instruction to consular agent at Arica relative to, approved; instructed to take no notice of any manifesto on subject unless it is addressed to him in his official capacity.	330
239	Same to same (No. 65)	Mar. 2	Belligerent rights of Peru: question as to authority of consul at Iquique, which is now in possession of the Chilians, to grant clearances to vessels loaded with nitrates taken from beds belonging to Peru, but now in military possession of Chili; No. 112 received; consuls have no right to grant clearances under any circumstances; local authorities alone have such rights; when these authorities grant vessels clearances consuls should deliver to such vessels their papers; consul cannot gainsay opinion of the existing authority at his port as to what may be lawfully exported; Peru's resentment at exportation of these nitrates is natural, but her assertion of right to seize neutral vessels loaded with them is contrary to public law and will not be admitted by foreign governments.	331
240	Mr. Christiancy to Mr. Evarts (No. 123).	Mar. 8	Decrees of Dictator of Peru inclosed; calls special attention to one of them restraining newspaper attacks upon individuals and private character; the principle of this decree might be adopted advantageously by other countries.	331
241	Mr. Tracy to Mr. Evarts	Mar. 9	Refutation of recent newspaper statement that Bolivia had deserted Peru.	335
242	Mr. Evarts to Mr. Christiancy (No. 69).	Mar. 10	Recognition of government of Pierola; action of legation, as reported in 115, approved.	336
243	Mr. Christiancy to Mr. Evarts (No. 133).	Mar. 17	Progress of war: bombardments by Chilian naval forces.	336
244	Mr. Calderon to Mr. Tracy..	Mar. 17	Protest of Peru against Chili's barbarous mode of warfare, and her course in regard to Peruvian nitrate deposits; insufficiency of blockades established by Chili; neutral vessels disposing, for benefit of Chili, of nitrates which Peru considers hers, regarded by Peru as enemy's vessels; Chili wages war against neutrals; friendly feeling of United States towards both belligerents; her readiness to mediate; circulars and decrees inclosed.	337
245	Mr. Evarts to Mr. Tracy	Mar. 22	His note of 9th instant, denying rumor of desertion of Peru by Bolivia, acknowledged.	344
246	Mr. Christiancy to Mr. Evarts (No. 137).	Mar. 23	Progress of war: barbarous warfare waged by Chili; commendation of the present Government of Peru.	344
247	Same to same (No. 138)	Mar. 24	Rights of humanity are paramount to belligerent rights; diplomatic corps is to have a conference in which Mr. Christiancy will advocate a protest against Chili's inhuman mode of warfare; circular of Peruvian Government respecting the inhumanity of Chili's war, and declaring neutral vessels loading guano from the Peruvian beds which are in possession of Chili to be enemy's vessels, inclosed.	346
248	Same to same (No. 139).....	Mar. 24	Trade between United States and Peru: how it could be increased; Peru will subsidize an American line of steamers; Peru's hostile feeling towards England, and kind feeling towards the United States.	347
249	Same to same (No. 140).....	Mar. 24	Dispatch from consul at Lambayeque, protesting against wanton destruction of life and property which Chili proposes to engage in, inclosed; Mr. Christiancy has sent a copy of it to the United States legation at Santiago.	349
250	Same to same (No. 145).....	Mar. 31	Protest of American citizens in Peru against mode of warfare adopted by Chili, inclosed; diplomatic corps considering what steps to take for protection of rights of neutrals; Chili's barbarous mode of warfare.	351

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251	Mr. Christiancy to Mr. Evarts (No. 148).	Apr. 6	Belligerent rights: duty of consul at Iquique respecting delivery of ship's papers to vessels loaded with guano taken from Peruvian beds now in possession of Chili; copy of Department's 65 sent to consul.	354
252	Same to same (No. 151).....	Apr. 6	Neutral vessels loaded with guano taken from Peruvian beds now in possession of Chili; note to foreign office denying right of Peru to seize same, inclosed; impracticable for Peru to make such seizure; reply to No. 63.	354
253	Same to same (No. 156).....	Apr. 14	Progress of war: blockade of Callao by Chilian naval vessels; liberal warning given neutrals and non-combatants of impending bombardment; further depreciation of Peruvian paper currency.	355
254	Same to same (No. 157).....	Apr. 18	Progress of war: proposed bombardment of Callao; correspondence between diplomatic corps and Chilian admiral respecting immunity of neutrals, inclosed.	356
255	Mr. Evarts to Mr. Christiancy (No. 76).	Apr. 19	Menacing and violation of neutral rights by Chili; protest will be addressed to Chilian minister here against injury to the United States citizens; instructed to protest to Peru, in event of her resorting to wanton destruction of life and property, as Chili has done; reply to 140.	359
256	Same to same (No. 77).....	Apr. 23	Exchange of prisoners of war between Bolivia and Chili; No. 3 to the United States minister at La Paz inclosed.	359
257	Mr. Tracy to Mr. Evarts....	Apr. 26	Blockade of Callao by Chilians, and substitution of other entry ports by Peru for Callao, reported.	359
258	Mr. Evarts to Mr. Tracy....	Apr. 28	Blockade of Callao by Chilians and opening of other ports by Peru instead: announcement of, received and communicated to Treasury.	360
259	Mr. Christiancy to Mr. Evarts (No. 159).	Apr. 28	Progress of war: bombardment of Callao; insignificance of its effect; blockade of Ancon by the Chilians apprehended.	360
260	Same to same (No. 162).....	May 5	No fighting since date of legation's No. 159; blockade of Callao is strictly enforced; blockade of Ancon expected.	361
261	Same to same (No. 165).....	May 12	Rebombardment of Callao; very little damage done; blockade of Ancon by the Chilians; rumored victory for Peruvian troops; there is no talk of peace.	361
262	Same to same (No. 172).....	May 28	Nothing can be done towards restoration of peace until after a decisive battle on land; Peru will not accept such humiliating terms as Chili is likely to offer; correspondence with the United States minister at Santiago inclosed.	362
263	Same to same (No. 173).....	June 7	Chilian sucesses on land; capture of Tacna; Peruvian heroism in a naval engagement; peace question.	363
264	Same to same (No. 175).....	June 10	Chili prefers charges against Consul Merriam, at Iquique, of assisting Peru in the war; correspondence with United States minister at Santiago, and letter to consul requesting explanations, inclosed.	366
265	Same to same (No. 177).....	June 13	Capture of Tacna and Arica by the Chilians; defeat of the allies at Tacna was a crushing one; peace question; conversation with President Pierola; services of diplomatic corps offered him for peace in event of Chili's making a proposition.	368
266	Same to same (No. 178).....	June 19	Blockade of Chancay by the Chilian navy; outrageous conduct of the Chilian soldiery at Arica.	372
267	Same to same (No. 179).....	June 20	Proclamation of President Pierola respecting the defeat of the allies at Tacna inclosed; it is very defiant and may conduce to peace; protocols respecting federation of Peru and Bolivia inclosed; it is proposed that the federation take place in December, 1880; rise in the value of the paper sole of Peru.	373
268	Mr. Hay to Mr. Christiancy (No. 90).	June 30	Charges preferred by Chili against Mr. Merriam, consul at Iquique of assisting Peru in the war; instructed to investigate the same, and if they prove well founded, to remove Mr. Merriam.	378
269	Mr. Christiancy to Mr. Evarts (No. 183).	July 5	Particulars of the capture of Tacna and Arica by the Chilians; gross barbarities committed by them; destruction of the Chilian transport "Loa"; insult to American flag and destruction of the house occupied and owned by Charles A. Nugent, the United States consular agent (it being the consulate), by the Chilians at Arica.	379

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271	Same to same (No. 185).....	July 9	Decrees of government inclosed and discussed....	382
272	Mr. Evarts to Mr. Christiancy (No. 93).	July 30	Mode suggested by United States minister at Santiago of rendering good offices of United States available for cessation of hostilities approved; confirms Department's telegram of 29th instant.	385
273	Mr. Christiancy to Mr. Evarts (No. 190).	Aug. 14	Peace: reports his intention to start to-morrow for Santiago to negotiate for; European intervention; has confidential but authentic information that Chili is willing to make a proposition for peace through a third power.	386
274	Mr. Hay to Mr. Christiancy (No. 97).	Aug. 16	Mediation: advises him of disposition of Chili to accept our mediation and asks what is the disposition of Peru.	387
75	Same to same (No. 99).....	Aug. 16	Iquique: charges *vs.* Consul Merriam of having assisted Peru in the war, preferred by Chili; approves course reported in his 175.	387
276	Same to same (No. 102).....	Aug. 25	Outrage perpetrated upon the United States consul and flag at Arica by Chilian soldiery; further information relative to requested; reply to No. 183.	387
277	Mr. Christiancy to Mr. Evarts.	Sept. 12	Reasons for going to Santiago; learned through an intercepted letter of Chili's disposition to negotiate for peace.	388
278	Same to same (No. 191).....	Sept. 13	Mediation of the United States: acceptance by Chili; Peru will accept formally to-day; unsuccessful steps towards mediation taken by other powers; Bolivia's views requested; form of proposed mediation.	389
79	Same to same (No. 194).....	Sept. 17	Peru accepts mediation of United States, but protests against levying by Chilian forces upon private property on northern unfortified coast of Peru; note inclosed; efforts of Mr. Christiancy for protection of neutral property and for cessation of hostilities during peace negotiations; refusal of Chili to assent to armistice would be disrespectful to the United States, and would prevent mediation; reports his explanation to diplomatic corps at Lima of his proceedings; chagrin of Italy, France, and England at non-acceptance of their mediation; notes to Chilian commanders and to our minister at Santiago inclosed.	392
280	Same to same (No. 195).....	Sept. 18	Charges preferred against consul at Iquique, of assisting Peru in the war; consul denies the same; charges not substantiated; reply to No. 90.	397
281	Same to same (No. 197).....	Sept. 30	Arbitration of the United States is now preferred by Peru to mediation, owing to belief that Chili's demands will be too exorbitant, but she has yielded to Mr. Christiancy's persuasion to proceed to negotiation under our mediation; Chilian outrages so exasperated Peru that the conference project would have failed had it not been for Mr. Christiancy's strenuous efforts to save it.	399
282	Same to same (No. 198).....	Oct. 24	Conference: energetic and finally successful efforts of Mr. Christiancy to bring negotiators together; first meeting; Chilian proposition submitted; demands very excessive and seemingly not to be insisted upon; another meeting to-morrow, at which reply of the allies will be submitted.	400
283	Mr. Garcia to Mr. Evarts....	Oct. 25	Mediation of United States for peace between Peru and Chili; states that Peru has accepted same and deserves great credit for doing so; has little or no hope of successful termination of peace negotiations, owing to the probable insistence by Chili upon terms that Peru cannot accept.	402
284	Mr. Christiancy to Mr. Evarts (telegram).	Oct. 27	Failure of peace negotiations; Peru refuses Tarapaca; Chili rejects arbitration of United States.	403
285	Same to same (No. 200).....	Nov. 2	Conference: failure of; blames Chili therefor; Chili prevented from making peace by popular feeling for war; protocols of proceedings of peace conference inclosed; expected attack on, and pillaging of, Lima.	403
286	Same to same (No. 202).....	Nov. 2	Arbitration of the United States: gives text of his telegrams of 28th ultimo and 1st instant; states his reasons for sending the said telegrams; unwillingness of Mr. Osborn to telegraph that Chili had refused arbitration of the United States.	419

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288	Mr. Calderon to Mr. Evarts.	Nov. 5	Responsibility of the war and its attendant horrors: circular exonerating Peru from, and charging Chili with, and condemning Chili's methods and motives; protocols of proceedings of peace conference inclosed.	420
289	Mr. Hay to Mr. Christiancy (No. 108).	Nov. 9	Charges preferred against consul at Iquique of assisting Peruvians in the war: approves investigation of legation; instructed to give proper attention to any further evidence in the matter which may be adduced.	423
290	Mr. Christiancy to Mr. Evarts (No. 209).	Nov. 11	Intervention of England and France: grounds for apprehending same stated; British and French ministers opposed our mediation and urged cession of Tarapaca; their motive was protection of interests of bondholders; admitting such cession to be wise, it is not proper for a foreign power to dictate it and thus intrench on the sovereign prerogatives of the allies; intervention would be tantamount to giving active aid to victorious Chili to crush Peru; will protest against it if attempted.	424
291	Mr. Evarts to Mr. Garcia...	Nov. 13	Mediation of United States between Peru and Chili: advises him of failure of; regret and chagrin of Department; United States will welcome any further opportunity it may have presented to it to promote restoration of peace; reply to note of 25th ultimo.	426
292	Mr. Evarts to Mr. Christiancy (No. 109).	Nov. 27	Neutrals: protection of lives and property of, in the event of an attack by the Chilians upon Lima; gives text of Department's telegram of 19th instant to legation at Santiago.	426
293	Mr. Garcia to Mr. Evarts...	Nov. 27	Mediation of the United States for peace between Peru and Chili: telegram received from his government reporting failure of peace negotiations inclosed.	427
294	Mr. Evarts to Mr. Garcia...	Dec. 1	Mediation of the United States between Peru and Chili: failure of peace negotiations regretted; note of 27th ultimo received.	427
295	Mr. Evarts to Mr. Christiancy (No. 112).	Dec. 13	Peace negotiations: failure of regretted; the United States still stands ready to do whatever it properly can to bring about peace; reply to No. 200.	427
296	Mr. Garcia to Mr. Evarts...	Dec. 18	Peace negotiations under auspices of United States: circular of his government exonerating Peru from, and charging Chili with, blame for failure of, inclosed.	428
297	Mr. Hay to Mr. Garcia	Dec. 22	Mediation of United States between Peru and Chili: failure of; his note of 18th instant transmitting circular from his government censuring Chili received.	430
298	Mr. Christiancy to Mr. Evarts (No. 226).	Dec. 31	Peace question: attacks of Chilian press upon course pursued by Mr. Christiancy; result of Mr. Osborn's excessively friendly disposition towards Chilian Government and malice of Mr. Montjoy, consul at Lambayeque towards Mr. Christiancy; letter to Mr. Osborn in which Mr. Christiancy vindicates his course inclosed; unfair treatment of Mr. Christiancy by Mr. Osborn.	430
		1881.		
299	Same to same (No. 230)	Jan. 22	Capture of Lima by the Chilians: dangerous position and undignified movements of the diplomatic corps on the occasion; conduct of the Chilians in and around Lima; refugees in legation; outrages to property under protection of United States legation at Lima resulting from conduct of United States minister at Santiago and consul at Lambayeque; Pierola, the only government of Peru, is a fugitive; Chilians would like him to come back to treat for peace.	434
300	Mr. Evarts to Mr. Christiancy (No. 119).	Jan. 25	Neutrals: jeopardization of lives and property of, by Peru in sending adrift vessels loaded with explosive materials; instructed to remonstrate if he shall ascertain that such course has been pursued by Peru.	435

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302	Mr. Pierola to Mr. Garcia...	Feb. 8	Evacuation of Lima and Callao by the Peruvians: Government of Peru determined to resist to the last extremity, but not unwilling to treat for peace upon honorable terms; would like the United States to arbitrate peace question.	441
303	Mr. Evarts to Mr. Christiancy (No. 123).	Feb. 10	Desire of United States to bring about peace: instructed to urge same upon Peruvian Government, and upon such Chilian officers as he may meet; Peruvians having evacuated Lima and Callao, Peru desires foreign aid in behalf of peace, as appears from a telegram just received from the Peruvian minister here.	441
304	Mr. Christiancy to Mr. Evarts (No. 240).	Feb. 15	Neutral property: destruction of, by Chilians when they wantonly burned the towns of Chorrillos, Barranco, and Miraflores; consequent claims; instructions as to course to pursue in regard to them requested; correspondence inclosed.	441
305	Same to same (No. 242).....	Feb. 16	Foreign mediation declined by Chili, who will not treat with Pierola until a note offensive to Chili written by his secretary to dean of diplomatic corps be withdrawn; Pierola a fugitive in the mountains; until he resigns none of the prominent men of Peru will assume reins of government; courts in Peru refuse to perform their functions; martial law has been established in consequence; commendable conduct of Chilians in Lima for preservation of order; Peru prostrate and under complete control of Chili; terms of peace will be such as Chili chooses to dictate; Peru will probably have to surrender a great deal more than Tarapaca; levying of forced contributions by Chilians; possibility of partitioning of Peru among her neighbors, Chili, Ecuador, and Brazil.	447
306	Mr. Evarts to Mr. Christiancy (No. 129).	Feb. 17	Scheme of the Société générale de crédit industrial et commercial for liquidation of financial obligations of belligerents: authorized to submit the same for consideration in connection with discussion of peace question; may advise Mr. Osborn and Mr. Adams.	449
307	Mr. Christiancy to Mr. Evarts (No. 243).	Feb. 19	Offensive note written by Pierola's secretary which Chili insists on being withdrawn, inclosed with comments; the note charges the Chilians with various misdeeds, the most important being perfidy in violating armistice and attacking the Peruvians at Miraflores; Mr. Christiancy thinks this charge not well founded, but believes in the others, viz, murdering of wounded Peruvians and destruction of towns.	452
308	Same to same (No. 245).....	Feb. 25	New government project: prospects of success or failure; Chili has declined to treat with Pierola; position of Bolivia.	456
309	Same to same (No. 251).....	Mar. 8	Explosive materials: practice of Peru in setting adrift vessels loaded with, to damage enemy's cruisers; knows of only three such cases; in none of them was neutral commerce jeopardised; particulars given; reply to No. 119.	458
310	Same to same (No. 253).....	Mar. 8	Mediation of the United States: cannot urge same upon Chilian authorities because Chili has decided to accept no foreign mediation and will not treat with Pierola; explains why he did not advise Department by telegraph of fall of Lima.	459
311	Same to same (No. 254).....	Mar. 9	New government project: failure of; Pierola has called election of a congress to be held in June next; Chilians are exacting war contributions from Peruvians; injustice of doctrine of war contributions, especially as practiced by Chilians; rumored vandalistic intentions of Chilians;	460

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311	Mr. Christiancy to Mr. Evarts (No. 254)—Continued.	Mar. 9	rapine and bloodshed vehemently advocated by most influential portion of Chilian press; circular issued by Pierola deprecatory of Chili, and orders of Chili as to war contributions, inclosed.	
312	Same to same (No. 256).....	Mar. 16	Vandalism of Chili in taking away from Peru works of art, libraries, laboratories, &c., reported: Mr. Christiancy would like to protest; motives which have prevented him from doing so.	465
313	Same to same (No. 257).....	Mar. 16	New government project: revival and success of; formation of a new provisional government; F. G. Calderon, president, M. M. Galvez, minister for foreign affairs; newspaper accounts inclosed; question as to recognition of new government submitted.	466
314	Same to same (No. 261).....	Mar. 21	Foreign mediation: indisposition of Chili to accept same; her apparent determination to make Peru suffer the utmost of national humiliation; foreign intervention the only thing that can prevent this determination; injurious to the interests of neutrals to have Peru humiliated; has informed Chili of the desire of the United States to bring about a lasting peace; reply to No. 123.	467
315	Same to same (No. 262)	Mar. 21	Peace question: scheme for restoration of peace by means of financial arrangement; only the active intervention of United States can be influential now; annexation of Peru to United States suggested, or establishment of a protectorate over Peru by United States; Great Britain more influential with Chili.	468
316	Same to same (No. 263).....	Mar. 22	Vandalism of Chilians in taking from Peru works of art, &c.: letter from Peruvian librarian reporting and deprecating same inclosed.	469
317	Same to same (No. 264).....	Mar. 23	Views of the United States in regard to accomplishment of peace communicated to new government: recognition of new government; has informed new minister for foreign affairs that new government will be recognized by United States as soon as by people of Peru; I. M. Cantuarias has been sent to United States as envoy of new government.	471
318	Same to same (No. 265).....	Mar. 23	Vandalism of Chilians in taking works of art, &c., from Peru: newspaper article vindicating same inclosed.	472
319	Same to same (No. 266).....	Mar. 23	War contribution exacted from Peru by Chili: steps taken by new government for payment of; time extended by Chili; new government has called upon the people for loan of the money; terms of loan; provisions for its reimbursement; hardly probable that it will be voluntary; likely that it will be forced.	473
320	Same to same (No. 273).....	Mar. 31	New government seems unlikely to be accepted by people of Peru.	474
321	Same to same (No. 276).....	Apr. 4	Vandalism of the Chilians: modifies statement contained in his No. 256.	474
322	Same to same (No. 277).....	Apr. 4	War contribution: proposed exaction of, from Americans; denies right of Peru to make such exaction; has advised Americans if they pay at all to pay under protest; new government has thus far lost rather than gained in popular favor; provinces on which it relied for support adhere to Pierola.	474
323	Same to same (No. 278).....	Apr. 5	Confederation between belligerents: advocacy of, by Chilian press of Lima and its motives; impracticability of such confederation.	476
324	Same to same (No. 282).....	Apr. 13	Forced loans: non-liability of Americans in Peru to payment of; instructions to consular-agent at Pacasmays, in the sense of legation's dispatch No. 277, inclosed.	477
325	Same to same (No. 283).....	Apr. 13	Calderon's government: majority of people opposed to; if said government had been formed without the appearance of support of the Chilians it would probably have been accepted; this government favors peace; Pierola is for continuance of war.	478
326	Same to same (No. 285).....	Apr. 17	Progress of war: reasons for supposing that Chili intends to attempt conquest and annexation of the whole of Peru; Pierola is keeping up a show of government in his mountain asylum.	479

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No.	From whom and to whom.	Date.	Subject.	Page.
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327	Mr. Christiancy to Mr. Blaine (No. 286)	Apr. 19	Political: Chilian newspaper article on situation in Peru, which strengthens suspicions set forth in his No. 285 regarding acquisitionary designs of Chili, inclosed.	481
328	Mr. Elmore to Mr. Blaine....	May 4	Calderon government: recognition of, requested; copy of his credentials inclosed; Peru desires intervention of United States for restoration of peace.	482
329	Mr. Christiancy to Mr. Blaine	May 4	Wretched condition of Peru: subjugatory designs of Chili; their realization will injuriously affect our trade; Great Britain's control of South American trade; how United States might gain control; recommends annexation of Peru by United States.	485
330	Same to same (No. 292)....	May 5	Miraflores: breach of armistice at; statement of diplomatic corps inclosed, from which Mr. Christiancy deduces that Chilians are responsible therefor.	490
331	Same to same (No. 295).....	May 8	War contributions: Peruvian authorities at Pascamaya have desisted from levying same on United States citizens.	492
332	Same to same (No. 296).....	May 9	Annexation of Peru to Chili: the latter has declared her intention to annex all the western part of Peru; foreign intervention the only means to prevent it; no power will intervene unless it be the United States.	493
333	Mr. Blaine to Mr. Christiancy (No. 143).	May 9	Calderon government: authorizes recognition of..	495
334	Same to same (No. 144).....	May 12	Forced loans: non-liability of Americans in Peru to; his views as reported in his No. 282 approved.	495
335	Mr. Christiancy to Mr. Blaine (No. 301).	May 17	Calderon government: rumor of recognition of, by United States; asks if it is correct.	495
336	Same to same (No. 302).....	May 17	Calderon government is gaining strength: probable that Chili does not intend to occupy Peru; if Calderon gets Congress together Mr. Christiancy will recognize his government.	496
337	Same to same (No. 305).....	May 23	Movements of Chilian troops: information as to Pierola's whereabouts and doings.	497
338	Same to same (No. 310).....	May 27	Recognition of Calderon government: note to Calderon's minister of foreign affairs explaining attitude of the United States in regard to the recognition question inclosed; Pierola's doings.	498
339	Mr. Blaine to Mr. Hurlbut (No. 2).	June 15	Peace question: instructed to encourage Peruvians to accept reasonable conditions, and to impress upon Chilian authorities in Peru the advantages of liberal treatment of Peru by their government; course which Peru should pursue so as to avoid loss of territory in indemnification of Chili; directed to aid Peru in pursuing this course; United States would assist the execution of any satisfactory plan for satisfying Chili's demands by means of money; No. 2 to legation at Santiago inclosed.	500
340	Mr. Christiancy to Mr. Blaine (No. 319).	June 16	Recognition of Calderon government: difficulties in the way of, set forth.	501
341	Same to same (No. 320).....	June 21	Calderon government: recognition of; discussion of question; reasons for withholding recognition; Chili's policy is subjugation; Calderon government not yet a government *de facto*.	503
342	Same to same (No. 322).....	June 28	Recognition, note of, addressed to Calderon's minister of foreign affairs, inclosed: obedience to instructions and desire to avoid personal criticism caused him to recognize the Calderon government, which is not yet worthy of recognition.	505
343	Same to same (No. 327).....	July 6	Recognition of Calderon government was premature: additional reasons for thinking so; Mr. Christiancy, however, justifies his act of recognition on the ground that it was in obedience to Department's orders.	506
344	Same to same (No. 330).....	July 12	Political organization of Calderon government: meeting of Congress; continuation of Mr. Calderon as president until election of a successor; circular announcing same inclosed.	506
345	Mr. Hurlbut to Mr. Blaine (Memorandum).	July 16	Political situation of South American States: relations between them; their respective attitudes in regard to pending questions.	507
346	Mr. Blaine to Mr. Hurlbut (No. 7).	Aug. 4	Claims of United States citizens *vs.* Peru, growing out of contracts: Cochet claim and claim of John C. Landreau; instructed to report on former, and to demand justice in the case of the	508

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346	Mr. Blaine to Mr. Hurlbut (No. 7)—Continued.	Aug. 4	latter; in treaty of peace between Chili and Peru, provision must be made for recognition by Chili of Landreau's claim as a prior lien upon any territory which Peru may be required to cede to Chili; sets forth denial of justice in Mr. Landreau's case.	
347	Mr. Hurlbut to Mr. Blaine (No. 2).	Aug. 10	Political and military situation of Peru: preparations for peace negotiations between Chili and Peru; policy of Chili; Mr. Hurlbut urges that the United States intervene to prevent disintegration of Peru; letter to United States minister at Santiago, stating situation of affairs and suggesting course which should be pursued, inclosed.	510
348	Same to same (No. 5).....	Aug. 17	Interruption of negotiations: sudden departure of Chilian negotiator; urges that the United States intervene; such intervention necessary, and would be welcomed by both parties; supposed intention of Chilians to evacuate Lima, and leave it to be plundered by the mob; Pierola is still issuing proclamations.	512
349	Same to same (No. 6).....	Aug. 24	Peace question: Chili becoming more moderate in her demands; fear of the United States the cause; urges that the United States intervene; such intervention nepessary to prevent disintegration of Peru, and would be accepted by both belligerents.	514
350	Same to same (No. 8).....	Aug. 27	Memorandum given by him to commander of Chilian forces in Peru, setting forth views of the United States, and its adverseness to disintegration of Peru, inclosed; good effect produced by the memorandum.	515
351	Mr. Blaine to Mr. Elmore ...	Aug. 27	Recognition of Mr. Elmore: credentials may be presented at a future time; will be informally recognized if he will deliver office copy of his credentials.	517
352	Mr. Elmore to Mr. Blaine ...	Aug. 29	Recognition of Mr. Elmore as minister resident of Peru: note of 27th ultimo acknowledged; thanks for recognition; copy of his credentials inclosed.	517
353	Mr. Blaine to Mr. Elmore ...	Aug. 31	Recognition of Mr. Elmore: copy of credentials received; trust to be able before long to arrange for his presentation to the President; reply to note of 29th instant.	518
354	Mr. Hurlbut to Mr. Blaine (No. 11).	Sept. 13	Reconciliation: negotiations between Calderon government and Pierola's generals of the north and center for; inhuman decrees of Pierola; correspondence with Pierola's secretary inclosed; Mr. Hurlbut tells him that Pierola's government does not merit recognition, and that Calderon's does; that Chili will recognize any government in Peru that will agree to cede Tarapacá, and that Calderon's government will not so agree; we ought not to permit prolonged occupancy of Peru by Chilian forces.	519
355	Same to same (No. 12).....	Sept. 14	Claims of United States citizens *vs.* Peru: Landreau and Cochet claims; No. 7 received; in view of extraordinary statements of J. R. Shipherd, attorney for the Cochet claim, and his representations of the Department's aggressive attitude respecting said claim, further instructions are requested.	522
356	Same to same	Sept. 14	Political situation: report of J. W. Quimper on, inclosed, with commendation.	523
357	Same to same (No. 14).....	Sept. 21	Intervention: specific instruction as to course to be pursued by him, requested; we have precluded European interference, and if we do not interfere ourselves Peru will be obliged to cede Tarapacá; deprecates such cession; possibility of war between Chili and Argentine Republic; intention of Chili to maintain a large army and navy during the coming year.	525
358	Same to same (No. 16).....	Oct. 4	Suppression of Calderon government by military order: correspondence between Admiral Lynch and Calderon; Peruvian treasury seized by military authorities of Chili; review of establishment and recognition of the Calderon government and the history of the war; evident that the aim of the war on part of Chili was to acquire the nitrate and guano territory of both Bolivia and Peru.	526

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No.	From whom and to whom.	Date.	Subject.	Page.
		1881.		
359	Mr. Hurlbut to Mr. Blaine (No. 19).	Oct. 5	Naval and coaling stations at Chimbote: protocol signed September 20 granting privileges to the United States inclosed; railroad grant obtained for himself from Peru reported on.	530
360	Same to same (No. 20).....	Oct. 13	Political: Arequipa and Puno declare for Calderon; center and north expected to do so; Calderon may move out of Chilian lines; not necessary for Mr. H. to follow; the opportunity is open for the United States to settle the war.	532
361	Same to same (No. 21)	Oct. 13	Peace conference: two Chilian commissioners on their way to Lima; they will hold to the old claim of territorial cession, and conference will be useless unless arbitration be urged and accepted; illness of General Kilpatrick.	533
362	Mr. Hitt to Mr. Elmore	Oct. 13	Peace question: may call at Department at any time for an interview; reply to note of 11th instant.	534
363	Mr. Elmore to Mr. Blaine...	Oct. 21	Peace question: suppression of Calderon government by Chili reported and vehemently denounced; formally applies for intervention of the United States for restoration of peace; without such intervention peace will be impossible; commends course which has been pursued by the United States; newspaper articles inclosed.	534
364	Mr. Hurlbut to Mr. Blaine (No. 23).	Oct. 26	Peace question: publication and misinterpretation in Chili of the statement of our policy which Mr. Hurlbut gave to Admiral Lynch; vindicates the statement; has succeeded in uniting factions in Peru in support of Calderon; urges early intervention by the United States.	537
365	Mr. Elmore to Mr. Blaine...	Oct. 27	Suppression of Calderon's government attempted by Chili: iniquitous proceedings; Calderon intends to resist; his refusal to cede Tarapacá has caused this attempt on part of Chili; urges intervention of United States; explanatory documents inclosed; armies of the north and south have declared for Calderon.	541
366	Mr. Blaine to Mr. Hurlbut (telegram).	Oct. 27	Financial schemes: "Influence of your position must not be used in aid of Credit Industriel or any other financial or speculative association."	545
367	Same to same (telegram)....	Oct. 31	Calderon government: "Continue to recognize Calderon government until otherwise specially instructed; acknowledge receipt."	545
368	Mr. Hurlbut to Mr. Blaine (No. 24).	Oct. 31	Peace question: all the Peruvian military forces have recognized Calderon; this unification of Peru in face of opposition of European powers is gratifying as being a successful issue of one of the objects of Mr. Hurlbut's mission; condemns action of Chili for suppression of Calderon government; it is motived by declension of Calderon to comply with Chili's demand for cession of territory as a condition precedent to peace negotiations.	545
369	Same to same (No. 25)	Nov. 2	Financial schemes: fails to understand Department's telegram of October 27 as to use of his influence in support of; it may have been the result of charges preferred against him by agent of Cochet claim; deprecates the conduct of said agent, Mr. Shipherd; Mr. Hurlbut vindicates himself against charges; letters from Mr. Shipherd inclosed.	547
370	Same to same (No. 26)	Nov. 9	Political: arrest of President Calderon and his secretary of state; particulars of; popularity of Calderon government and its unwillingness to cede territory to Chili the main motives; another motive was to rebuke the United States; secret negotiations have been opened by Chili with Pierola; armed occupation until government can be framed which will cede territory is Chili's policy.	560
371	Mr. Blaine to Mr. Hurlbut (No. 17).	Nov. 17	Claim of United States citizens *vs.* Peru: Cochet claim and Landreau claim; the former is not proper for presentation; United States citizens in purchasing the claim of a Peruvian against his government acquires no more rights than the Peruvian had, and as he had no right to intervention of United States, such right did not pass to the purchasers of his claim; Landreau claim should be withheld from presentation until opportunity for its adjustment offers; course reported in his No. 12 approved; condemns conduct of J. R. Shipherd, attorney for the Cochet claims.	561

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372	Mr. Elmore to Mr. Blaine ...	Nov. 18	Peace question: resolute intervention of United States necessary for just solution of; will shortly furnish Department with an exposé of the political situation in Peru.	563
373	Mr. Elmore to the President.	Nov. 19	Audience of the President requested for the purpose of pleading in behalf of Peru.	563
7 ‹	Mr. Blaine to Mr. Hurlbut (No. 18).	Nov. 19	Financial schemes: explains Department's telegram of 27th ultimo; minister's position in regard to, for restoration of Peru should be a negative one; in case an opportunity arises for us to be useful in abetting such scheme, minister should take no important step without instructions.	564
375	Same to same (No. 19)	Nov. 22	Peace question: disapproves memorandum addressed by him to Admiral Lynch, and his note to Pierola's secretary, and the convention he concluded for establishment of naval stations at Chimbote, and his telegram to legation at Buenos Ayres requesting that a minister be sent by Argentine Republic to Peru; instructed to recognize Calderon government, or, if none such exist, to remain inactive at Lima until receipt of further instructions; in view of differences between him and his colleague at Santiago a special envoy will be sent to arrange settlement of peace question.	565
376	Mr. Hurlbut to Mr. Blaine (No. 28).	Nov. 23	Claim of Cochet heirs *vs.* Peru: letter from J. R. Shipherd, attorney for, inclosed; it offers Mr. Hurlbut a bribe; Mr. Hurlbut has declined further correspondence with Mr. Shipherd.	567
377	Same to same (No. 29).....	Nov. 23	Indefinite military occupation of Peru the evident purpose of Chili: injuriousness of such policy to Chilian and American, as well as Peruvian interests; unification of factions in support of Calderon government.	572
378	Mr. Blaine to Mr. Hurlbut (telegram).	Nov. 26	Peace question: "special envoy leaves Washington for Peru immediately; continue recognition of Calderon government."	574
379	Mr. Blaine to Mr. Elmore	Nov. 26	Peace question: note of 18th instant received.	574
380	Mr. Blaine to Mr. Hurlbut (No. 21).	Nov. 30	Relieves him of negotiations for settlement of peace question: informs him as to appointment and powers of Mr. Trescot and Mr. Walker Blaine to conduct such negotiations; he will be expected to aid this special commission.	574
381	Mr. Hurlbut to Mr. Blaine (No. 30).	Nov. 30	Political assumption of executive functions by Vice-President Montero in consequence of arrest of President Calderon, and recognition of Montero by Mr. Hurlbut reported: will take no further action until arrival of special commission.	575
382	Mr. Blaine to Mr. Hurlbut (No. 25).	Dec. 3	Coaling stations: strongly disapproves; protocol concluded by him with Calderon government for cession of such stations to the United States, and rebukes him for concluding it; railway grant; severely reprimands him for obtaining same for himself from Peru; reply to No. 19.	577
383	Same to same (No. 26).....	Dec. 5	Cochet heirs: Claim *vs.* Peru, upon which Peruvian company's scheme is based; No. 25 received; minister's action approved; indecency and dishonor of Mr. Shipherd, the agent of the company; eminent New York gentlemen, who are alleged to belong to the company, are probably as ignorant of the use of their names as Mr. Blaine was of the absurd statements attributed to him by Mr. Shipherd.	579
384	Mr. Hurlbut to Mr. Blaine (No. 32).	Dec. 7	Pierola renounces presidency: is intriguing for return to power; British minister is injuring us by alleging conclusion of a secret treaty whereby we are to acquire a portion of Peru; death of General Kilpatrick reported.	579
385	Same to same (No. 33).....	Dec. 11	British minister's injurious conduct in alleging a conclusion of a secret treaty: he is called to account by Mr. Hurlbut and says it was only a joke; suggests that it be brought to the attention of the foreign office; refers to No. 32.	581
386	Same to same (No. 34).....	Dec. 14	Montero's assumption of the presidency officially announced to diplomatic corps: Pierola's renunciation; no joint action by the corps; Pierola still in Lima; failure of demonstration in his favor; municipality seized by Chilians; inabil-	583

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386	Mr. Hurlbut to Mr. Blaine (No. 34)—Continued.	Dec. 14	ity of Mr. Adams to proceed to post; has advised him to remain at Lima until the arrival of Mr. Trescot; rumor that General Kilpatrick has left a document stating that his note to Valmaseda was wrung from him when he was wholly unfit to transact business.	
387	Same to same (No. 35).....	Dec. 15	Telegram from Chilian minister at Washington alleging disapproval by Department of Mr. Hurlbut's conduct; publication of; Mr. Hurlbut not disturbed by it.	584
388	Same to same (No. 36).....	Dec. 17	Claim of Cochet heirs: Peruvian company's scheme; letters from Mr. Shipherd, president of the company, and Mr. Hurlbut's reply declining further correspondence, inclosed.	584
389	Same to same (No. 37).....	Dec. 22	Political: course pursued by Mr. Hurlbut; justification of; reply to No. 19; arrest of Calderon a willful affront to United States.	591
390	Same to same (No. 38).....	Dec. 22	Political: Mr. Elias and Mr. Candamo have been appointed representatives at Lima of President Montero, who is still in the interior; this facilitates intercourse.	593
391	Same to same (No. 39).....	Dec. 28	Arrival at and departure from Lima of Special Commissioners Trescot and Blaine; told Mr. Trescot that arrest of Calderon was unjustifiable, and was intended as an insult to United States, and that his immediate release ought to be demanded; harm being done United States in Chili by the Peruvian Company; letters from the president of the company inclosed; official notice of our true attitude regarding this company should be given to Chili without delay.	593
		1882.		
392	Mr. Elmore to Mr. Frelinghuysen.	Jan. 23	Betrayal of Peru by Bolivia, rumor of, denied.	596

4. FRANCE.

		1881.		
393	Mr. Morton to Mr. Blaine (No. 6).	Aug. 11	Interview with President Grévy in regard to Chili-Peruvian war, who suggests that the United States again offer mediation; demands of Chili upon Peru should be modified.	596
394	Mr. Blaine to Mr. Morton (No. 30).	Sept. 5	Chili-Peruvian war: declension of the United States to enter into negotiations with European powers for joint intervention for peace; reply to No. 6.	597
395	Mr. Morton to Mr. Blaine (No. 58).	Oct. 20	Chili-Peruvian war: interview with President Grévy; substance of the Department's No. 30 communicated to him; France in accord with position taken by the United States, and is willing to act with the United States in the direction of peace, or to leave the United States to proceed alone.	598
396	Mr. Blaine to Mr. Morton (telegram).	Nov. 14	Chili-Peruvian war: full account of any interview he has had recently with French Government relative to, and especially any relating to, recognition of Peruvian minister, requested.	599
397	Mr. Morton to Mr. Blaine (telegram).	Nov. 15	Chili-Peruvian war: has had no interview with President Grévy since that reported in No. 58; indications less favorable for recognition of Calderon.	600

5. MISCELLANEOUS.

		1880.		
398	Mr. Pettis to Mr. Evarts....	Mar. 29	Political changes and situation in Bolivia, account of; letter from acting consul at La Paz, and a Peruvian newspaper inclosed; peaceable revolution in Bolivia.	600
		1879.		
399	Mr. Evarts to Mr. Fisher...	June 6	Bearer of dispatches, appoints him as; transmits dispatches for United States ministers and consuls in Peru and Chili on account of existing hostilities there; also, passport, consular regulations, and copies of treaties.	601

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No.	From whom and to whom.	Date.	Subject.	Page.
		1879.		
400	Mr. Fisher to Mr. Seward ..	June 7	War between Chili and Peru: forwards two official pamphlets in regard to "Cuestion Chilena Boliviana" and "Manifesto", &c.	601
401	Mr. Fisher to Mr. Evarts...	June 10	Bearer of dispatches: special passport, package of dispatches, and letter of 6th inst. received; will leave on 20th inst.	602
402	Same to same.....	July 30	Bearer of dispatches: statement showing delivery of dispatches intrusted to him inclosed.	602
403	Mr. Fisher to Mr. Seward (No. 3).	July 31	War between Chili and Peru-Bolivia: reports his efforts to bring about peace between the republics; Chili not likely to consent to any truce on conditions required by other belligerents; probability of an overthrow of the Chilian ministry which may produce a peaceful policy.	604
404	Same to same (No. 4).....	Aug. 14	Arbitration: does not deem it desirable to discuss same at present; strategic movements commented upon.	607
405	Same to same (No. 5).....	Oct. 9	Arbitration, question of: circumspection exercised in communicating substance of interview with the Secretary of State; admits having stated to parties of influence the object of his mission; interview of Mr. Pettis with the Presidents of Peru and Bolivia led to exaggerated reports by the press.	611
406	Mr. Hunter to Mr. Fisher ..	Oct. 10	War between Chili and Peru-Bolivia: letter of August 14th relative to, received.	616
407	Mr. Fisher to Mr. Hunter ..	Dec. 26	Laws of war, as adopted by Chili for the guidance of its army: copy of, inclosed.	617
		1880.		
408	Mr. Hunter to Mr. Fisher ..	Feb. 6	Laws of war of Chili received.....	621
409	Mr. Fisher to Mr. Hunter ..	Feb. 27	Congress of American republics to convene at Washington: suggests that the President invite various countries to participate for the purpose of settling the pending questions and establishing closer relations between all American republics.	621
410	Same to same.....	Oct. 22	Mediation of United States: states that true time for, will be after Chilian army has arrived in bay of Callao and at the island of San Lorenzo, and gives reasons why interference will fail before that; building for permanent exhibition of American samples; commercial treaty.	624
411	Same to same.....	Oct. 29	Mediation by the United States: incloses newspaper extracts showing good feeling of Chili towards the United States, notwithstanding attempt of; will soon leave for the United States with particulars of commercial treaty heretofore referred to.	628
		1881.		
412	Mr. Shipherd to Mr. Walker Blaine.	July 27	Peruvian Company: refers to conversation had with Secretary relative to, and requests a copy of instructions to Mr. Hurlbut, United States minister to Peru; also desires the address of Mr. Suarez.	630
413	Same to same.....	July 28	Peruvian Company protests against Chili taking possession of the guano islands and the nitrate beds to secure the payment of her war indemnity, and asks Department to take steps to prevent said action by Chili: incloses duplicates of all printed papers relating to said company; also two affidavits of Peter Hevner, and expects by the end of August evidence of death and intestacy of Alexander Cochet.	631
414	Mr. Walker Blaine to Mr. Shipherd.	July 28	Peruvian Company cannot answer letter relating to, until after consultation with Secretary of State; Mr. Suarez was at Panama on the 13th instant; sailed for Peru on that day.	679
415	Mr. Shipherd to Mr. Blaine..	Oct. 10	Claim to one-third of all guano deposits in Peru: incloses notices of ownership sent to Chilian and Peruvian ministers relative to.	679
416	Mr. Blaine to Mr. Shipherd..	Oct. 12	Claim to one-third of all guano deposits in Peru: documents, with his letter of 10th instant, placed on file.	681
417	Mr. Shipherd to Mr. Blaine..	Oct. 18	Claim to one-third of all guano deposits in Peru; incloses proofs that notices of ownership were served on Chilian and Peruvian ministers in Washington October 13, and additional notices to be sent to the United States ministers.	681
418	Mr. Blaine to Mr. Shipherd..	Oct. 22	Claim to one-third of all guano deposits in Peru; papers, with his letter of 18th instant relative to, placed on file.	682

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No.	From whom and to whom.	Date.	Subject.	Page.
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419	Mr. Hadden to Mr. Hunter..	Nov. 28	Protectorate of the United States over Peru: incloses letter sent United States Minister Hurlbut urging establishment of.	683
420	Mr. Blaine to Mr. Shipherd..	Dec. 3	Calls attention to his correspondence with the United States minister, and offering bribe thereto: censures his action severely, and states that only his apparent mental irresponsibility saves him from prosecution; Department will no longer recognize him as attorney in any case.	683
421	Mr. Shipherd to Mr. Hunter.	Dec. 5	Claim to guano deposits in Peru: incloses letter received from Peru showing present condition of.	685
422	Count de Montferrand and Mr. Suares to Mr. Evarts.	Jan. 17	Credence: letter of, from the "Société générale de crédit industriel et commercial," and introductory letter from Ed. Noetzlin, esq., a director of the "Banque Franco Égyptienne."	686
423	Same to same.....	Jan. 30	Proposition to pay Chili and Peru respectively £550,000 per annum, which will justify a loan to cover war indemnity demanded by Chili and meet all legitimate national obligations, and to arrange with Peruvian bondholders the indebtedness held by them, on condition that Chili surrender territory taken from Peru, subject to protectorate of the United States, and to grant the society the exclusive privilege of shipping nitrate therefrom; urges the United States to again interfere on behalf of peace; incloses various papers, including contract between society and Peru.	686
424	Same to same.....	Feb. 1	Mediation of the United States: urges advisability thereof; calls attention to the advantages of their scheme, and the evils to be averted by its adoption; awaits action of United States.	696
425	Mr. Suarez to Mr. Evarts....	Feb. 9	Mediator in Chili-Peruvian war: urges the United States to offer its services as, and to accept the position of trustee of the financial business proposed by the crédit industriel, as such action would insure the supremacy of the United States in South American affairs.	697
426	Count Montferrand to Mr. Evarts.	Feb. 14	Negotiations on behalf of Société générale de crédit industriel et commercial; states that Francisco de Paulo Suarez is authorized to continue the same.	699
427	Confidential note.....	Feb. 16	Statement of American and foreign interested parties, and their representatives, in England, Belgium, France, Netherlands, Germany, Spain, and United States in the Société générale de crédit industriel et commercial, and observes that while Chili endeavored to fortify her political and commercial links with Europe, so Peru and Bolivia look towards the United States.	700
428	Mr. Evarts to Mr. Suarez....	Feb. 17	War indemnity: acknowledges letters relative to, and says ministers to Chili and Peru have been informed of the proposition of the société relative to payment of; the United States is ready to aid in bringing about peace.	701
429	Mr. Suarez to Mr. Guillaume	Feb. 18	Views of Secretary Evarts in regard to the société communicated the United States: will confine itself to exercise of good offices towards securing peace, but will recommend the société as a means to that end: would not seek position of trustee, but would accept the same if agreed upon; has promised the secretary that agency for guano should be placed under patronage of a first-class American house.	701
430	Mr. Suarez to Mr. Evarts ...	Feb. 19	Mediation: offers of; thanks for letter of 17th instant relative to; incloses telegrams to and reply from "Crédit Industriel"; will inform Department of his arrival in Peru.	702
431	Same to same.....	Feb. 28	Confidential letter of 17th instant: explains delay in replying to; will continue to strive for a satisfactory settlement of war.	703
432	Mr. Suarez to Mr. Blaine....	Mar. 1	Obligations of Peru; refers to papers on file in Department and renews proposition therein contained as to payment of, by the "société"; asks for more earnest action by United States.	704
433	Same to same.....	Mar. 1	Termination of war: urges Secretary of State to take a firm stand in favor of.	705
434	Count Montferrand to Mr. Hitt.	Apr. 22	Financial arrangement: incloses correspondence relative to proposed, by the company, or the Pacific Company; urges the United States to favor the project.	706

5. MISCELLANEOUS—Continued.

No.	From whom and to whom.	Date.	Subject.	Page.
		1881.		
435	Mr. Suarez to Mr. Blaine...	May 8	Arrangements proposed by "Crédit Industriel": incloses telegram stating that English, French, and probably Italian and German Governments will agree to, if asked to do so by the United States; asks what reply shall be made.	707
436	Same to same.....	May 28	Letter of credence: incloses duplicate of his, and invites attention to Department's letter of February 17 last.	708
437	Mr. Hitt to Count Montferrand.	June 10	Financial arrangement: acknowledges letter of April 22 last; the subject will be presented to the Secretary of State and ministers to Peru and Chili.	709
438	Mr. Suarez to Mr. Blaine....	Dec. 5	Chili-Peruvian question: requests answer to his papers relative to.	710
		1882.		
439	Mr. Suarez to Mr. Frelinghuysen.	Jan. 13	Obligations of Peru: payment of, by the société: refers to previous correspondence and renews proposition relative to; argues why this should be done, and amplifies upon the scheme.	711
440	Translation.....	.....	Six papers relating to the debt of Peru and the plans of the Crédit Industriel and the Compagnie Financière du Pacifique left with Mr. Frelinghuysen by Mr. Suarez for perusal January 20, 1882.	715
441	Memorandum	.....	Extracts taken from the official registers, showing that the several communications therein indicated were received in the ordinary course of business, and belong to the files of the Department; a careful search fails to show that they are now in the Department.	741

CORRESPONDENCE.

CORRESPONDENCE.

1.—BOLIVIA.

No. 1.

Mr. Evarts to Mr. Pettis.

No. 12.] DEPARTMENT OF STATE,
Washington, June 23, 1879.

SIR: The British Government has lately received information that the Government of Bolivia has decreed the issue of letters of marque, with authority to privateers to seize Chilian property in neutral vessels, and that agents have departed for the United States.

You are directed to call the attention of the Bolivian Government to the treaty of 1858, and more especially to the XVIth article thereof, which stipulates for the freedom from capture or confiscation of effects or goods belonging to subjects or citizens of a power or state at war when found on board of neutral vessels, with the exception of articles contraband of war.

The neutrality act of 1818 (section 5281 *et seq.* of the Revised Statutes) specially prohibits the fitting out, arming, or equipping in this country of any vessel for the purpose of committing hostilities against the people of a country with whom the United States are at peace. Should it prove true that the Bolivian Government has dispatched agents to this country for the purpose, as is understood, of engaging in this enterprise, you will remind them of the existence of this act and of the necessity which will compel this government to adopt measures for preventing a violation of it.

I am, &c.,

WM. M. EVARTS.

No. 2.

Mr. Evarts to Mr. Pettis.

No. 13.] DEPARTMENT OF STATE,
Washington, June 25, 1879.

SIR: Referring to my instruction No. 12, of the 23d instant, in regard to the intimation received that the Government of Bolivia has decreed the issue of letters of marque, with authority to privateers to seize Chilian property in neutral vessels, and that Bolivian agents are understood to have already departed for the United States, I now transmit for

your information two copies of a circular issued by the Secretary of the Treasury, under date of the 21st instant, instructing collectors of customs and others whom it may concern with respect to the observance of the neutrality laws of the United States in case of any possible attempt being made to infringe the same in behalf of either of the belligerents.

I am, &c.,

WM. M. EVARTS.

Mr. Evarts to Mr. Sherman.

DEPARTMENT OF STATE,
Washington, June, 18, 1879.

SIR: I have the honor to inform you that the British Government has received information that the Government of Bolivia has decreed the issue of letters of marque, with authority to privateers to seize Chilian property in neutral vessels, and that agents of Bolivia have departed for the United States.

With a view to causing due observance of the neutrality laws of this country, I will thank you to direct the attention of such of the collectors of customs of the United States to the matter as you in your judgment shall deem proper.

I have the honor to be, sir, your obedient servant,

WM. M. EVARTS.

Mr. Sherman to Mr. Evarts.

TREASURY DEPARTMENT, *June* 24, 1879.

SIR: Referring to your letter of the 18th instant relative to the proposed issue of letters of marque by the Government of Bolivia, with authority to privateers to seize Chilian property in neutral vessels, I have the honor to inclose herewith six copies of the circular on the subject issued by this department on the 21st instant and sent to the collectors of customs at ports from which illegal expeditions might be arranged, warning them to be vigilant to guard against any breach of the neutrality laws of the United States.

Very respectfully,

JOHN SHERMAN,
Secretary.

OBSERVANCE OF THE NEUTRALITY LAWS.

[1879. Department No. 101. Secretary's office.]

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., June 21, 1879.

To collectors of customs and whom it may concern:

This department has received information that the Government of Bolivia has decreed the issue of letters of marque, with authority to privateers to seize Chilian property in neutral vessels, and that agents of Bolivia have departed for the United States.

Collectors of customs, in whose ports attempts may be made to fit out warlike expeditions in aid of either of the belligerent powers, will take care to see that section 5290 of the Revised Statutes be vigilantly enforced against all vessels that appear to be destined to violate the neutrality laws of the United States. The section is here reproduced:

"SEC. 5290. The several collectors of the customs shall detain any vessel manifestly built for warlike purposes, and about to depart the United States, the cargo of which principally consists of arms and munitions of war, when the number of men shipped on board, or other circumstances, render it probable that such vessel is intended to be employed by the owners to cruise or commit hostilities upon the subjects, citizens, or property of any foreign prince or state, or of any colony, district, or people with whom the United States are at peace, until the decision of the President is had thereon, or until the owner gives such bond and security as is required of the owners of armed vessels by the preceding section."

JOHN SHERMAN,
Secretary.

No. 3.

Mr. Pettis to Mr. Evarts.

No. 15.] LEGATION OF THE UNITED STATES,
La Paz, Bolivia, June 28, 1879. (Received Aug. 16, 1879.)

SIR: I have the honor to inform you that in pursuance of the appointment made yesterday, and of which you were advised by my dispatch of that date, No. 14, Sr. Manuel Vicente Ballivino, a gentleman connected with the executive branch of the government here, called at this legation and accompanied me to the department of foreign relations of this Republic, where I was most cordially received by his excellency Pedro J. de Guerra, minister of foreign relations and acting President of Bolivia, and his excellency Eulogio D. Medina, minister of finance and of war.

After an observance of the courtesies of the occasion, his excellency the minister of foreign relations remarked that, enjoying the proud satisfaction that the Government of the United States of America cherished for the Republic of Bolivia and her sister republics in South America a sincere friendship; he had sought the interview for the purpose of conferring with the representative of the government I had the honor to represent touching the complication of affairs between Chili, Bolivia, and Peru, and to learn if possible the views of the Government of the United States in that connection, entertaining, as he did, a profound respect for its opinion and wishes.

After expressing to his excellency the gratification which such a mark of respect to my government implied, I stated to him that while I was without any instruction from the government at Washington upon the subject, I felt confident that so desirous was the President of the United States of a peaceful solution of these pending difficulties, that he and his cabinet would expect all the offices of this legation, official and personal, exerted in the direction of peace, and which it would be my highest ambition and greatest pleasure to exert in the absence of special instructions in the premises, and would therefore give an attentive ear to all that his excellency might have to say.

His excellency replied that Bolivia desired peace, but could not see how it was to be obtained amicably at present, with the armies of the different powers in the field, and their forces upon the sea. I expressed the opinion that it might be obtained by some amicable arrangement, and I thought the acceptance of arbitration the humane and dignified way out, believing as I did that each of the contending powers owed some respect to human society, adding that while, as his excellency suggested, arbitration is usually resorted to prior to the actual commencement of hostilities, precedents were to be found in the conciliatory path of negotiation in the past, by which this objection or difficulty might be overcome, and the terms of equality restored between the powers interested, so as to make arbitration proper, acceptable, honorable, and profitable.

Such was substantially the character of the interview, which lasted nearly or quite two hours, and at its termination his excellency the minister of foreign relations stated that it would afford him pleasure to renew and resume the consideration of the subject at this legation at 5 o'clock, which was agreed to.

At such second meeting his excellency placed in my hands a paper, together with its translation, which (the translation) I have copied and herewith inclose, marked Inclosure 1.

I should state in this connection that I was informed by his excellency that the mediation of Brazil had been declined by Peru and Bolivia, also one of the Eastern powers, and that one of a number of reasons assigned for preferring the United States as umpire was that it was purely an American controversy.

I have the honor to be, &c.,

S. NEWTON PETTIS.

[Inclosure in No. 15.]

All under the special condition not to take any decision or compromise without the knowledge and approval of the Peruvian Government.

The authorities of Chili, civil and military, to withdraw from and disoccupy all territory that they have taken possession of upon and since the 14th day of February, 1879, leaving all things in the condition and state they were its previous to the 14th day of said month.

Then, if arbitration is agreed upon, the arbitrators to hear, determine, and decide all matters in dispute between Bolivia and Chili and Peru, and establish the divisionary line between Bolivia and Chili, Bolivia claiming the boundary line affixed by the Chilian constitution, taking with consideration the damages caused by the act of 14th February, and the subsequent aggressions claimed by Bolivia, as well as the expenses of the war.

That reference may be made to the President of the United States of America as sole arbitrator, or to the judges of the Supreme Court of the United States of America, or to the ministers of the United States of America in Peru, Bolivia, and Chili, a decision by a majority of the arbitrators sitting, to be valid and binding upon the parties, to be approved in its execution and perpetuity by the President of the United States.

No. 4.

Mr. Pettis to Mr. Evarts.

No. 16.] LEGATION OF THE UNITED STATES,
La Paz, Bolivia, July 2, 1879.
(Received August 16, 1879.)

SIR: I have the honor to inform you that I to-day received a call from his excellency the Peruvian minister resident at La Paz.

He said that he called to tender to me as the representative of the United States the acknowledgement of his government, as well as his own, for the very humane and conciliatory views he had been informed by his excellency the minister of foreign relations of Bolivia, I had lately expressed touching the pending difficulties between Chili, Peru, and Bolivia, and assuring me that he should take especial pleasure in co-operating in every way in his power to obtain a peaceful and bloodless adjustment of the same, and knew that he reflected the sense of the Peruvian Government in that respect.

I have, &c.,

S. NEWTON PETTIS.

No. 5.

Mr. Evarts to Mr. Pettis.

No. 17.] DEPARTMENT OF STATE,
Washington, August 8, 1879.

SIR: I transmit herewith for your information copy of a dispatch from Mr. Ernest Dichman, United States minister resident at Bogota, re-

citing the causes which have moved Colombia to proffer mediation for the settlement of the war between Bolivia and Peru and Chili, and announcing the appointment of Dr. Arosemena, the former secretary of foreign relations of Colombia, to visit La Paz, Lima, and Santiago, on a special mission for the purpose of tendering such mediation.

Although abstaining from any direct indorsement of, or co-operation in, this apparently laudable effort of Colombia in the interest of peace and reconciliation, this government, which feels lively solicitude for the prosperity and tranquillity of the South American states, cannot but watch Dr. Arosemena's mission with especial attention. In personal intercourse with the doctor, when he visits La Paz, you will probably find a fitting occasion to express to him the warm interest taken by the United States in this tentative step, and the friendly solicitude of this government as to the result.

I am, &c.,

WM. M. EVARTS.

Mr. Dichman to Mr. Evarts.

[Extract.]

No. 100.] LEGATION OF THE UNITED STATES,
Bogotá, June 20, 1879. (Received July 29.)

SIR: The war between the three South American Republics of Chili, Peru, and Bolivia is being observed with much interest at this capital, not only on account of the affinity of race and language, and the interest which would naturally arise from a similarity in name at least of political institutions, but also because it is feared that the war, if not checked, may involve other South American nations and interests to which this government could not remain indifferent.

* * * * * * * *

A resolution was adopted by Congress requesting the President to send a special minister to the three Republics of Peru, Chili, and Bolivia for the purpose of offering the mediation of the Colombian Government in the present difficulty. The Hon. Dr. Pablo Arosemena, formerly secretary of the interior and foreign relations, has been selected for the position, and it is expected that he will leave for Peru immediately, as soon as his instructions can reach him at his home at Panama.

I am, &c.,

ERNEST DICHMAN.

No. 6.

Mr. Seward to Mr. Pettis.

No. 19.] DEPARTMENT OF STATE,
Washington, August 11, 1879.

SIR: Your dispatch No. 13 of the 25th of June last, reporting your interview with the minister of foreign relations on that day, has been received.

In reply I have to inform you that your course on that occasion in assuring the minister that the settled policy of strict neutrality of the United States would not be departed from in the conflict between Chili, on the one part, and Bolivia and Peru on the other, is approved.

I am, &c.,

F. W. SEWARD,
Acting Secretary.

No. 7.

Mr. Seward to Mr. Pettis.

No. 21.] DEPARTMENT OF STATE,
Washington, August 18, 1879.

SIR: Your dispatch No. 15, of the 28th June last, reporting your conference with his excellency, the minister of foreign relations and Acting President of Bolivia, and the overtures then made to you looking to the eventual mediation of the United States with a view to arbitrating the unhappy differences between that state and Chili which have given rise to the present deplorable war, to which Peru is also a party, has been read with careful attention. Your proceedings, as stated in your dispatch, seem to have been discreet and judicious, and are approved.

The Department awaits with hopeful expectancy the further developments of the interesting question presented.

It is deemed proper to inform you that in June last simultaneous but independent overtures were made to this government by the cabinets of London and Berlin, looking to a future formal proposal from Germany and Great Britain, to act with them in a mediation between the belligerents in the present war in South America in the interest of the protection of commerce. The reply of this government was to the effect that, while as keenly alive as Germany and Great Britain can be to the dangers arising to commerce from the existence of so deplorable a war between kindred peoples, as well as to the prospective danger that other states might yet be involved in the fratricidal quarrel, and while it has been from the commencement of the struggle, and is now, ready to assist in the restoration of peace whenever its good offices may be usefully proffered, yet this government does not look with favor upon any premature effort, nor any effort in combination with other neutral powers which would carry the impression of dictation or coercion in disparagement of belligerent rights.

The views then expressed are unchanged now, except that it is thought that the time is drawing near when an honorable settlement of the questions of the war may, without disparagement to any of the parties thereto, be frankly asked and obtained through the mediation of a friendly power.

I am, &c.,

F. W. SEWARD,
Acting Secretary.

No. 8.

Mr. Pettis to Mr. Evarts.

Unofficial.] LA PAZ, BOLIVIA, S. A.,
August 23, 1879. (Received Oct. 16.)

DEAR MR. SECRETARY: I have deemed it proper to accompany my dispatch of this date (No. 22) by this private note, as necessary for your full understanding of the present condition of these three troubled republics; and allow me to say that I have no doubt but what the Chilian ministry, with the approbation of President Pinto, had resolved upon taking the suggestions made by me in the presence and with the concurrence of Mr. Osborn (without the rider included in brackets in

inclosure 2), and submitting the whole controversy to the United States authorities, preferring the ministers, for the reason that they were upon the ground and a decision would be promptly obtained, should you permit them to act. In fact Mr. Huneens said so; and looking to such result, he informed us that the president had summoned Mr. Santamaria, the war minister, established at Antofagasta, to the capital, desiring a united front in the movement, and assured me that he had promptly responded to the telegram; was on his way, and would reach the capital the next day by special train. His arrival seemed to cause a hitch in the consummation of that which I am confident had been resolved upon, and I was satisfied that Mr. Santamaria (who is a candidate for the presidency) was the cause of it. When he was first approached by Mr. Huneens, he remarked that he had met me at Antofagasta, on my way to Valparaiso; but he was mistaken in that, for he had *never seen* me; he *had* seen Mr. Fisher, who was a fellow-passenger upon my voyage to V.

Justice to the Chilian ministry, as well as to myself, makes it proper to state some things in this connection for your own eye, that I would gladly omit.

As I was leaving Lima, Judge Christiancy said to me, "You will meet a Colonel Fisher on the steamer, bearer of dispatches from our government, who arrived this morning from Panama, and who brought a dispatch to me, but it has nothing to do with the question we are considering"; when Mr. Fisher came up and was introduced to me. When on board the steamer he desired an introduction to the captain, and asked to be presented as "bearer of dispatches from the United States." He talked much about these peoples' troubles, was outspoken against Bolivia and Peru, and was quite partially in favor of Chili. I was reticent, as I did not wish to talk to any one, save the ministry, as I had here in La Paz and Lima, and might possibly with Mr. Osborn in Chili. When the steamer arrived at Antofagasta a number of passengers went on shore, and as I was about stepping into the small boat to return to the ship, Mr. Greene, an American, the superintendent of the nitrate works there, invited and insisted upon my going to breakfast with him, saying that Mr. Santamaria, the war manager, was stopping in his house, would be at breakfast, and that he was a power in Chili. I thanked him, but declined and would not be moved by importunity, but Mr. Fisher accepted and went up, and I feared from that moment that mischief would result from his freedom and manner of talk. The steamer was then ready to sail, and the captain was very angry at the two hours' delay caused by Mr. Fisher's conference with those on shore, as the powers had the dispatches withheld from the captain of the steamer and he could not leave until the captain of the port saw fit to take them out to him.

As we were nearing Valparaiso I asked Colonel Fisher to be a little guarded in expression in Chili, and not talk there as he had in my presence, declaiming against Bolivia and Peru, and championing Chili's cause, saying that instead of hissing her on, it was time for cooling, for casting oil upon the troubled waters, rather than further inflaming the passions; but I then feared he had done my cause damage at Antofagasta, and the only hope I had of not being made to feel the effects of it was found in the fact that possibly it would not reach Santiago in time to injure or embarrass me; but although it did not travel as fast as the storms upon the sea, it came as surely as do earth's dances along the coast of these countries, in phrases familiarly known as earthquakes. I told Mr. Osborn of my fears when Santamaria was sent for, and gave

him my opinion after he arrived, both of which were confirmed by demonstration upon my return to Antofagasta, in a frank conversation with the same Mr. Greene, whose hospitalities I did *then* accept for a day and a half, and explained why in my personal quiet movement to Valparaiso I did not wish any recognition, much less any importance or prominence given to me or my trip, which I all along stated was simply for my health, making a convenience of the occasion to visit my old and early friend Osborn.

Mr. Greene informed me that in the conversation at the breakfast table he "interpreted between Mr. Santamaria and Mr. Fisher, and that the latter was outspoken against Peru and Bolivia, stating that he was direct from the United States, and that the feeling there was, that Chili was further advanced in civilization, her government more republican in form, and that he would not advise Chili to relinquish any of the territory occupied by her to give place for arbritration, and that he thought that was the sentiment in the United States, and that he believed that the United States would offer mediation if Chili asked it;" and he did say to a Senator in my presence that Mr. Seward authorized him to say that the United States would make such offer if either one of the republics requested it.

That conversation, in my opinion, established a pre-judgment in the mind of Mr. Santamaria against the object Judge Christiancy, Mr. Osborn, Mr. Huneens, and myself had in view, and prevented the consummation of our informal negotiations with Mr. Huneens.

I inclose a slip from the *South Pacific Times* (published at Callao, Peru) of the 22d ultimo, and another from its columns of the 24th ultimo, which will speak for themselves.

If it be of any importance, I might say that my health has been materially improved by my voyage, chiefly no doubt from the change of air and climate, and I cannot help feeling that had my son of twenty years accompanied me, he would not to-day need the attention from me, nor the services of his physician that his sick-bed demands and receives from both.

Did I, in my previous informal note, give to you Mr. Huneen's parting words? If not, here they are:

Good-bye, Mr. Minister; I hope and trust that we shall soon meet again, when and where I trust you will be judge and I attorney, and be kind enough to say for me to President Prado, who was long a client of mine, that I am at heart for *peace*, and am personally and officially laboring and longing for it.

Faithfully yours,

S. NEWTON PETTIS.

[Inclosure No. 1.—From the South Pacific Times of July 22, 1879.]

Colonel Fisher was among the passengers who arrived here by the Lima on Saturday. This gentleman is a special messenger from Washington to this country and to Chile, and bearer of dispatches to both these governments, offering the mediation of the United States government in the present unnatural quarrel in which they are engaged. We sincerely hope the mission of Colonel Fisher will not be unattended with success, for there can be no denying the sincerity of purpose which prompts the great republic to action; not that the same might not be said of European governments, whose intervention would not be less earnest nor less sincere, but the interference of the United States will perhaps be more acceptable, and the presumption may be more generally and perhaps more justly entertained that it is better interested nations, or those nations whose subjects have millions invested in these countries, should not be arbitrators. For instance, let us for a moment look at the proposition just made in France. It is to the effect that the bondholders unite to defray the expense of the war for Chile on the condition that they are protected by Chile in getting paid

on their Peruvian bonds from the proceeds of the guano and nitrate, and that they be reimbursed from the same source the war expenses so to be advanced. This proposition would be acted upon had the English bondholders agreed to it. We allude to this point simply in illustration of the fact that there is less likely to be confidence where there is interest, or where disinterestedness cannot reasonably be expected to prevail. Under the circumstances, therefore, we think the United States is unquestionably the best nation to intervene, and has already acted for Peru, if not for Chile likewise, in reference to the political relations existing with Spain. Colonel Fisher presented his dispatches here on Saturday, and the same evening left for Chile with the same object. We have heard the opinion of one worthy of the respect that an armistice is very likely to follow the presentation of the dispatches, so as to allow time for agreement as to the conditions of peace. We hope this may be so, for blood enough has been shed, and the wounds to national honor had better be healed now than later; the sooner the better.

[Inclosure No. 2.—From the South Pacific Times of July 24, 1879.]

Beyond what we record, there is little to communicate and nothing that encourages the immediate prospects of the re-establishment of peace, if we except, perhaps, the visit to this country of Colonel Fisher, from the United States Government, as the special bearer of despatches to the belligerents, offering the good services of the North American Republic to intervene in the present contest, with the view to put a stop to it. He arrived here from Panama on the morning 19th instant, and having performed his mission as far as this country is concerned, proceeded the same evening to Chile. We allude to this gentleman's arrival in another part of our paper, and can but repeat that we should be delighted to find the efforts of the United States crowned with success. The war is an expensive one, which neither party can afford, and it must terminate or wear itself out. There is no reason why it should not be terminated now, through the medium of friendly interference, without the sacrifice of honor on either side. We comprehend fully the difficulties that are to be overcome, but greater difficulties in international disputes have arisen and have been surmounted, and there is no cause to despair in the case of Chile and Peru.

No. 9.

Mr. Pettis to Mr. Evarts.

No. 22.] LA PAZ, BOLIVIA, *August* 23, 1879.
(Received October 16, 1879.)

SIR: At the date of my last dispatch, the impaired state of my health caused by the high altitude of this cold, cheerless, because fireless, region, I was compelled to resolve upon at least a temporary change for a milder clime, if I would seek to regain the uniform good health of my whole life, and decided upon going to the coast, which is more than 12,000 feet lower than this point.

This being known to the Bolivian ministry as well as the Peruvian representative here, and both professing an anxiety for peace, in the interests of their governments, and being very desirous of knowing the inner feelings of the Government of the United States, and to be governed much by its desires and wishes when ascertained, inasmuch as they have voluntarily put at my disposal the steamer upon the lake, the railroad and telegraph from La Paz to the coast passing through portions of both republics, in view of what Bolivia had submitted to me upon paper, with the acknowledgment and approval of the Peruvian minister here, I telegraphed Mr. Christiancy from Puno, asking him to meet me at Mollendo in the interest of peace.

Upon reaching Arequipa I received an answer saying that he could

not then leave, but that he would write me at Mollendo, and requested me to write him fully from there, and arriving at Mollendo I received his letter, and after reading it and resting a day or two, and feeling a little improved in health, and reflecting upon the situation, I concluded to take the steamer for Lima, and confer with Mr. Christiancy, which I did, showing him the proposition submitted to me by the Bolivian minister of foreign relations two weeks before, a copy of which I forwarded to you in my dispatch of June 28, No. 15.

After reading the same, Judge Christiancy thought that it looked like business, and furnished what he had not before seen or heard of, a starting point looking to a civilized solution of the troubles of the three republics—Chili, Bolivia, and Peru, adding that he would call upon the acting President and minister for foreign affairs there (at Lima) with Mr. Roman, a Peruvian, who had traveled with me from La Paz, as the bearer of dispatches addressed to the executive department at Lima, one being from the Peruvian minister resident here, and the other from the acting President of Bolivia, and bearing upon the subject of peace.

Shortly afterwards Judge Christiancy called upon me at my hotel and informed me that Mr. Irogoyen, the Peruvian minister of foreign relations, desired to see us at his department at 2 o'clock. We called at the time designated, and had a somewhat protracted interview. The minister seemed anxious to do anything that would prove acceptable and satisfactory to Bolivia. He had been informed of Bolivia's willingness and desire to submit all matters involved by the war to the United States for arbitration, and expressed a hearty concurrence in such suggestion by Bolivia, and added that the Peruvian minister at La Paz was in full accord with the Bolivian authorities at La Paz upon the subject, but stated that the trouble in the premises came from the fact that as Bolivian soil had been invaded by Chili, she (Bolivia) could not make the first advance by proposing arbitration, and as Chili had *declared* the war it was not for Peru to take the iniative.

I remarked that as in the declaration of war by Chili and in the invasion of Bolivia's territory the latter did not hold Peru responsible for either, it seemed to me that she (Peru) could, without compromising her honor in the least, propose an arbitration that she and Bolivia both professed to desire. Mr. Irogoyen replied that Peru had tendered her kind offices at the outset in the interests of peace, but they were rejected by Chili. I rejoined by asking if there was not some justification for Chili's rejection to be found in the fact of the existence of the treaty between Peru and Bolivia of 1873, and known as the "secret treaty" between those two governments; when the conversation took a different direction. The interview was very pleasant, lasting about two hours, resulting in a request that we return at 9 o'clock p. m., which we did, when we were informed that the matter had been considered by the cabinet.

The second interview developed the fact that should Chili say that such terms of reference were acceptable to her, there was, there could be, no impediment in the way of a bloodless adjustment of the difficulties of these people, which are being attended with quite as much, if not more, damage to neutrals and foreigners than to themselves. In fact, Mr. Irogoyen stated:

First. That if Chili proposed arbitration upon the terms indicated by the authorities of Bolivia (see inclosure to this dispatch, 1), Peru would accept.

Second. That if Chili proposed reference to the parties or authorities indicated by Bolivia and upon the basis implied in Bolivia's suggestion,

excepting only that the *time* of evacuation should be referred to the United States ministers for Peru, Bolivia, and Chili, Peru would *accept*.

Thus ended the second interview, which seemed to promise results in the interests of civilization. I became satisfied that Peru, like Bolivia, desired our government to settle this matter in the way indicated, and preferred arbitration by the United States high over any and every other power, as both had assured me that the kind offices of other powers had been offered and rejected, giving me as a reason therefor that they were endeavoring to pattern after our form of government.

I may have been mistaken in my impressions formed, but confiding in their correctness, feeling that the three powers were separated by so great distance, the intercommunication being so limited, in fact in one sense entirely suspended, and not being able to satisfy myself that the controversy was such a one as demanded or even justified the continuance of a bloody warfare, and especially if means were within reach by which the bitterness of the conflict could be toned down without the sacrifice of principle or the compromise of honor, it occurred to me that if something could be done to afford a breathing spell, a cooling of the passions, a little healthy reflection would naturally follow, that would result in a restoration of reason, when, if a proper and timely suggestion could be made, by which the fancied honor of these people could be preserved inviolate, a peace could be obtained, and to that end I thought if the conditions and the inclinations of the two northern powers (Peru and Bolivia) could be presented to the Chilian authorities by Mr. Minister Osborn, matters might possibly be made to culminate in peace; and Judge Christiancy agreeing with me in that respect, I concluded to write Mr. Osborn (unofficially) the result of all my consultations, and leave the matter with him to present to Chili or not, as he chose. Before leaving Lima I was importuned by Mr. J. G. Meiggs, a North American Peruvian, (and a brother of the late Henry Meiggs, famous in South American railroad history), who sustains close and confidential relations with (at least) one of the Peruvian cabinet, to by all means *go* and *see* Mr. Osborn, knowing as he did that it would not be prudent for me to return to La Paz for some time if the value of my health was of any consideration with me.

Without settling the question in my own mind as to what I would do, I set out upon my return, and while on my way to Mollendo, upon mature reflection, I concluded that if you were cognizant of the situation, you would desire me to do what I resolved upon, which was to continue down the coast to Valparaiso, and confer with Mr. Osborn fully, firmly believing, after looking the ground all over, that the authorities of these three peoples have hastily perched themselves upon a pinnacle of honor and know of no way to get down, and that at heart they would thank anybody to tell them how, or even point them to the way. Upon arriving at Coquimbo I telegraphed Mr. Osborn at Santiago, with whom I have been upon the most intimate terms since young manhood, that I expected to be in Valparaiso the next noon, and would be glad to see him before returning north.

Upon reaching Valparaiso I was met by Mr. Osborn, when a full and confidential (unofficial) consultation took place, after which he informed me that he had shown my dispatch to Mr. Huneens, the Chilian minister for foreign relations at Santiago, who had sent an invitation to me to visit Santiago, and him as well.

Finding Mr. Osborn in full accord with my views already set forth in this dispatch, and following his advice, I accompanied him to Santiago the next day, when an interview was arranged between the minister

and Mr. Osborn for a meeting of all three on Saturday afternoon, at his department, which lasted several hours and was more than cordial, Mr. Huneens being informed at the outset that upon my part the visit was a purely *personal one* and entirely *unofficial*.

Mr. Huneens expressed a desire to consult with the President that evening touching the subject-matter of our conference, lasting two hours, and at the same time volunteered a call upon me the next day at my hotel at 12 m., which appointment he kept punctually, remaining over two hours, devoting the whole of the time to the subject of this dispatch. Mr. Huneens speaks the English language as well as he does his own, the Spanish, and writes both readily.

Suffice it to say that at *his instance* several interviews followed, both at his department and at the hotel where Mr. Osborn and I were living, all of which manifesting upon his part a desire for the settlement of the existing troubles, and that, too, by arbitration at the hands of the United States above all or any other power, the *status quo* question seemingly being the only one of embarrassment, Peru and Bolivia insisting upon the *statu quo ante bellum*, Chili declining; whereupon I suggested that possibly some middle ground might be found if the parties should seek for it in a spirit of forbearance and conciliation; and as a compromise upon that branch of the controversy I numbered the twenty-third parallel of south latitude, to which, and below that, Chili should withdraw her troops by land and sea, disoccupying all north of such parallel in order that submission might be made and arbitration proceeded with. Mr. Huneens seemed to be pleased with the idea, and asked me if I would be kind enough to make a proposition in writing to this effect, when I promptly informed him that I had *no authority* to make any proposition, although I had found great pleasure in discovering to him, and his government through him, the position occupied by Peru and Bolivia upon the question under consideration, and the one that they would probably incline to and assume, if met in a humane spirit.

Mr. Huneens then asked me if I had any objections to giving my views upon paper, without signature, that he might submit them to the President; when I replied that within an hour I would do so in pencil to Mr. Osborn, and if upon consultation with Mr. O. he felt disposed to hand him such unofficial expression, I had no objection to his being gratified in that respect.

Upon retiring and consultation with Mr. Osborn, I penciled my views, which, being concurred in by Mr. Osborn, were by him inclosed to Mr. Huneens, with the request that *it be returned to me, which was done*, and a copy of which is herewith inclosed and marked Inclosure 2, indicating that I thought, if Chili was satisfied with that, Peru and Bolivia would concur.

Upon reading the paper thus submitted, Mr. Huneens *requested* me to *add* that which I have included between brackets, which he thought would make sure the acceptance upon the part of Chili, and which I consented to, although I thought it might possibly prove too much for Peru and Bolivia to carry, and, having done that, terminated the interview by stating to Mr. Huneens that:

More than a month before, I had had a long interview with the acting president and minister for foreign relations of Bolivia, at La Paz, upon the subject of the difficulties of that republic and Peru with Chili, and that the same was at the Bolivian minister's request, who informed me that he had sought the interview to learn the opinion of the Government of the United States of America, and inquired if I had any instruction upon the subject, and that I told him I had not, but that I knew that my government regretted deeply the conflict the three governments were engaged in. He then asked me for an expression of my own views upon the situation, which I gave him

freely, making no reference to the relative merits of the controversy, but confining myself to a solution of the troubles, in stating emphatically that under all the circumstances I thought that the safe, honorable, and profitable deliverance was only to be found in arbitration by some friendly power, and that I knew that my government would feel that I was poorly discharging my official duty if I failed to use all of my kind and personal offices in the direction of peace, adding that I thought that precedent was to be found in the conciliatory path of the past for the resort to arbitration even after hostilities had begun, and that I thought that persistence by the three countries in a desolating and devastating war, if an honorable peace could be attained, implied a blindness to interest entirely inexcusable; and at the close of each interview the minister of Bolivia requested a renewal of the same at my legation the evening of the same day, at which time the minister of Bolivia informed me, that, Peru consenting, Bolivia would be willing to submit all matters of difference, of every description, for final and complete adjustment and settlement with Chili, to the President of the United States, the judges of the Supreme Court of the United States, or to the United States ministers of the three republics, resident therein, if the *statu quo ante bellum* was restored, and that being mindful of a similar proposition made by the Chilian Government, less than fifteen years ago, to Spain, which was rejected by that power, who went further and fared worse, and having about that time, by the advice of a physician, resolved upon a trip to the coast for my health that had became seriously impaired in the high altitude of La Paz, I concluded to invite the United States minister at Lima to meet me at Mollendo in the interest of peace, but upon reaching that place received a letter from him stating that he could not then leave, and requested me to write him upon the subject, but preferring a personal interview, I took the steamer for Lima, and an early meeting with Judge Christiancy resulted in one, two, and a third interview. It transpired that Peru was willing to submit to arbitration at the hands of the powers named by Bolivia's minister of foreign relations, who was Acting President. While I learned, as I had at La Paz, that the main difficulty in reaching arbitration was found in the hesitancy of all to advance in that direction, which induced me to remark to Mr. Irogoyen that true, it might seem difficult for Bolivia, who claims that her soil had been invaded, to propose to Chili arbitration, but as Peru had not been despoiled that *she might*, while in the last interview the minister said that, in the event of a reference to the United States ministers, his government (Peru) would be willing to allow them to fix the time of the disoccupancy of the disputed territory of Chili; and that being both gratified and encouraged at the manner, frankness, and spirit of Mr. Irogoyen, after consultation with Judge Christiancy, I concluded that I would undertake the tedious journey to Valparaiso that I might visit and consult my early friend, Mr. Minister Osborn, touching the troubles of the three countries, believing that from the known and acknowledged intelligence and fairness of the Chilian character, all that was necessary to put matters in the way of a pacific adjustment was for Mr. Osborn to submit, as a peaceful offering, the result of these frank, friendly, and unofficial conferences with the authorities of the other two contending powers, coupled with the sentiments already expressed by Mr. Osborn and myself for Chili's consideration, which neither compromise, embarrass, nor humiliate any or either, but presented a basis upon which all desirous of peace could consistently and honorably stand, and that I had only to add that I was satisfied, if Chili acceded to such suggestions, the peaceful and amicable arrangement would be speedily concluded with Presidents Prado and Daza upon my return to Arica, as I had conversed with each of them upon my way to Valparaiso, at the same time expressing a consciousness of having discharged all my duty to the Government of the United States (and more), as well as that, I owed to mankind, including that, *not* owed to these struggling republics, except as implied by considerations imposed by a common humanity, I only awaited the *action* of his (the Chilian) Government, before reporting to my government the easy steps I had taken in the premises since the date of my last dispatch to Mr. Secretary Evarts, informing him of all interviews with the Bolivian authorities before leaving La Paz, including a copy of the minister's expressed willingness to submit all matters to the United States for arbitration, hoping that I might have the high privilege of conveying to my government the intelligence, gratifying to me as I knew it would be to them, that Chili had acted magnanimously and wisely, leaving with Bolivia and Peru the responsibility of a continuance of a war, if it was to be prolonged, which I was satisfied they would shrink from, but would at once take such action as would promptly terminate the war, end strife, and restore peace.

Upon the following morning, Mr. Huneens called at my room at the hotel, with Mr. Osborn, and informed us that, so far as Bolivia was concerned, there was no difficulty in submitting all matters to arbitration as we had talked, but that as to Peru the Cabinet was not prepared to say, and desired a little time to feel their way in Congress, which was

in session, and that he desired the matter left open for consultation with Mr. Osborn, to whom he would give a written expression of views during the day, and which, when received, Mr. Osborn will furnish you, a copy of.

Returning, upon reaching Arica, Bolivia's business port, I was called upon by the aids of Presidents Daza and Prado, and requested to name an hour for an interview, which took place in the afternoon.

I informed them of the result of my labors and assured them that no earthly consideration save a desire for peace and the welfare of their people could have induced me to have taken upon myself the labor I had performed in their behalf, and especially without any knowledge of my government, and which I had undertaken without any direction from it, since I believed that it would justify me in so doing, inasmuch as both Bolivia and Peru had expressed a desire that they not only would be satisfied by the arbitration of the United States, but that they preferred a settlement at the hands of that power in preference to any other power of the world, and that I had been informed that such was the desire of Chili, and that such being my information, and knowing that it would take over two months to consult and receive instructions from my government, I deemed it my personal and representative duty to do as I had, and trust to the judgment of my government for a justification of my conduct.

While they repeatedly expressed their gratification for the interest I had taken in the welfare of all three of the republics, and showered upon me their sincere thanks for my labors for the peace and prosperity of Bolivia and Peru, it was too evident and perhaps needless to add that they were disappointed at the failure of the movement in favor of arbitration, as already referred to, and greatly regretted it. President Prado stated to me explicitly that they, Peru, were in the war out of consideration for Bolivia, and if Bolivia said peace, let it come; if war, so be it; and if she desired arbitration, Peru accepted that.

I said, in answer to an inquiry upon the subject, that I thought the United States Government would offer mediation if Peru and Bolivia desired and requested it, but further than that I could not speak, as I had never assumed or ventured an opinion as to the position of my government, aside from an earnest desire that I had no doubt it cherished for *peace*.

I have been thus minute in disclosing to you every movement made and every word uttered upon this subject, in order that you may readily discover not only *what* I have done, but the reason for so doing, and shall be more than compensated for my unofficial labor if I have not incurred your displeasure in endeavoring to merit and deserve your approbation.

Indications along the coast for some time have occasioned ground for fears, and with many the expressed opinion, that at no distant day there would be foreign intervention, and my action was influenced in a great measure from a desire that an early adjustment might take place that would relieve our government from the enunciation of any opinion in the premises upon the principle contained in the Monroe doctrine, and that might involve embarrassing complications; and hoping that I have not mistaken the desires of my government or overestimated their desire for an early and amicable adjustment of these unfortunate South American troubles, I have the honor to submit all my action in this behalf to you for your superior consideration, at the same time subscribing myself, &c.,

S. NEWTON PETTIS.

[Inclosure 1 in No. 22.]

BOLIVIA'S POSITION.

All under the especial condition not to take any decision or compromise without the knowledge and approval of the Peruvian Government.

The authorities of Chili, civil and military, to withdraw from and disoccupy all territory that they have taken possession of upon and since the 14th day of February, 1879, leaving all things in the state and condition they were in, previous to the 14th day of said month.

Then, if arbitration is agreed upon, the arbitrators to hear, determine, and decide all matters in dispute between Bolivia and Chili and Peru, and establish the divisory line between the two countries; Bolivia claiming the boundary line affixed by the Chilian constitution, taking into consideration the damages caused by the act of the 14th of February, and the subsequent aggression claimed by Chili, the expenses of the war.

The reference may be made to the President of the United States of America as sole arbitrator, or to the judges of the Supreme Court of the United States of America, or to the ministers of the United States of America in Peru, Bolivia, and Chili; a decision by a majority of the arbitrators sitting, to be valid and binding upon the parties, to be approved in its execution and perpetuity by the President of the United States.

[Inclosure 2 in No. 22.]

SUGGESTIONS.

Whereas it has been suggested through a friendly medium that even now the path way to an early, honorable, and profitable peace leads in the direction of arbitration at the hands of some known and acknowledged power, alike friendly to Peru, Bolivia, and Chili;

And desiring, in the spirit of conciliation and compromise, and in the interests of peace and humanity, to transfer and elevate the contest of principle from the theater of force to that of reason and conscience:

It is agreed that all differences and all matters in dispute between Peru and Bolivia upon one side, and Chili upon the other side, of whatever character, class, kind, description, or extent, be submitted to * * * who shall be requested to meet upon the * * * of September, 1879, for the purpose of receiving and considering the statements of the proper representatives of each of the three republics in support of their respective views and claims, and, after such presentation, hearing, and consideration, to determine and decide upon all matters concerning which Peru, Bolivia, and Chili are now at variance; and the same being reduced to writing and signed by a majority of the arbitrators, to be final, binding, and conclusive upon the said republics and the governments thereof.

And in the event that the arbitrators should be of opinion that Bolivia is justly and equitably entitled to any territory south of the twenty-third parallel south latitude, it is understood that the arbitrators, or a majority of them shall ascertain and fix the amount that Chili shall pay to Bolivia, and the manner of payment for said territory, provided the respective legally constituted representatives before the arbitrators cannot agree upon such amount as compensation therefor, and the divisory line between Chili and Bolivia shall thereupon by such arbitration established upon the said parallel *twenty-third south latitude;* therefore, it is stipulated:

That from this —— day of August, 1879, hostilities of every character shall cease, and neither party augment its force on land or sea; that Chili at once disoccupy all territory north of the 23d degree of south latitude, withdrawing all her forces, both by land and sea, south of said 23d degree, leaving clear to Bolivia as well the coast south of said degree ten minutes below said twenty-third parallel, but in all other respects the *status quo* to remain as at present. This instrument to have no force or validity until signed by the proper authorities of the three republics.

No. 10.

Mr. Pettis to Mr. Evarts.

No. 23.] LEGATION OF THE UNITED STATES,
La Paz, Bolivia, August 25, 1879. (Received October 16.)

SIR: I have the honor to acknowledge the receipt of your dispatch of the 23d June last (No. 12), and have, in compliance with directions therein

contained, called the attention of the minister for foreign relations of Bolivia to the subject of your dispatch, as will appear from a copy of my said letter herewith forwarded, marked inclosure 1.

I am, &c.,

S. NEWTON PETTIS.

[Inclosure in Mr. Pettis's No. 23.]

LEGATION OF THE UNITED STATES,
La Paz, August 25, 1879.

SIR: I am informed by an official dispatch from Washington that the United States Government has received information that the British Government has lately been informed that the Government of Bolivia has decreed the issue of letters of marque, with authority to privateers to seize Chilian property in neutral vessels, and that agents have departed for the United States, and assuming that my government has been correctly informed, I am directed by it to call the attention of the Bolivian Government to the treaty of 1858, and especially to the sixteenth article thereof, which stipulates for the freedom from capture or confiscation of effects or goods belonging to subjects or citizens of a power or state at war when found on board of neutral vessels, with the exception of articles contraband of war.

May I ask your excellency to be kind enough to advise me whether the information received by my government touching the decree of the Bolivian Government hereinbefore referred to is correct or not?

Allow me to renew to your excellency the assurances of the high consideration with which I have the honor to remain, &c.,

S. NEWTON PETTIS.

No. 11.

Mr. Pettis to Mr. Evarts.

No. 24.] LEGATION OF THE UNITED STATES,
La Paz, Bolivia, August 25, 1879. (Received October 16.)

SIR: I am in receipt of your dispatch of June 25 (No. 13), and inclosures, and in answer thereto I have the honor to inform you that I have transmitted one copy of the Treasury circular to the minister of foreign relations of Bolivia, as will be seen by my letter addressed to him upon the subject, a copy of which is herewith inclosed and marked inclosure 1.

I am, &c.,

S. NEWTON PETTIS.

[Inclosure in Mr. Pettis's No. 24.]

LEGATION OF THE UNITED STATES,
La Paz, Bolivia, August 25, 1879.

SIR: In connection with my note this day addressed to your excellency upon the subject of information received by the British Government and communicated to the Government of the United States touching upon the supposed action of the Bolivian Government with reference to the issuing of letters of marque, I inclose herewith a copy of a circular issued by the Secretary of the Treasury of the United States of America under date of the 21st June last, bearing upon the subject of the observance of the neutrality laws of the United States, all of which is most respectfully submitted to your excellency's consideration.

With distinguished consideration, I have the honor to be, sir, &c.,

S. NEWTON PETTIS.

No. 12.

Mr. Evarts to Mr. Pettis.

No. 25.] DEPARTMENT OF STATE,
Washington, September 19, 1879.

SIR: I transmit herewith a translation of an article from El Comercio, of the 7th of August last (a newspaper published in Lima), in which it is represented that information had been received from a private source that you had come on a special mission to the Republics of Bolivia, Peru, and Chili, and that an interview had taken place between yourself and General Prado; and from another source it is represented that an interview was subsequently held between yourself and General Daza.

In reply I have to express regret that any opportunity for such observations as are contained therein should have been furnished by your intercourse in these countries on your way to Bolivia. In view of these representations you are desired to make an explicit statement on the subject, though the Department is, in advance, disposed to consider it impossible that you should have assumed any functions, express or implied, outside of your own mission to Bolivia.

I am, &c.,

WM. M. EVARTS.

No. 13.

Mr. Pettis to Mr. Seward.

No. 31.] LEGATION OF THE UNITED STATES,
La Paz, Bolivia, September 25, 1879. (Received Nov. 4.)

SIR: I have the honor to acknowledge the receipt of your dispatch of the 11th ultimo (No. 18), and to inform you that I have observed the direction therein given, as will appear from inclosure 1 of this dispatch.

I have the honor to be, sir, &c.,

S. NEWTON PETTIS.

[Inclosure 1 in No. 31.]

Mr. Pettis to His Excellency the Minister of Foreign Relations of Bolivia.

SIR: I have the honor to inform you that I am in receipt of a dispatch from my government at Washington, acknowledging the receipt of two pamphlets expressive of the views of Bolivia upon the questions at issue between Bolivia and Chili, forwarded by me to the State Department at Washington upon the 6th day of last June, at the instance of the then Acting President of Bolivia, and I am directed by the same to convey to the high source whence they emanated the thanks of the Government of the United States, and I have taken great pleasure in so doing.

Allow me to renew, &c.,

S. NEWTON PETTIS.

No. 14.

Mr. Pettis to Mr. Evarts.

No. 35.] LEGATION OF THE UNITED STATES,
La Paz, Bolivia, September 29, 1879. (Received Nov. 15.)

SIR: I have the honor to be in receipt of your dispatch of the 8th ultimo, No. 17, with inclosure, consisting of a copy of a dispatch from

Mr. Minister Dichman, United States minister resident at Bogota, under date of June 20 (last), No. 100, and have considered both carefully, and shall bear in mind your suggestions if the occasion which your dispatch contemplates presents itself.

I have been informed by Mr. * * * that the Bolivian authorities here have been informed of the action of the Colombian Congress to which Mr. Minister Dichman refers, and have information that Doctor Arosemena visited Presidents Daza and Prado at Arica, in pursuance of his appointment and in furtherance of the object of his special mission, but that his mediatory offer upon the part of Colombia was rejected by both. Whether he visited Chili or not I have no information.

The failure of the special mission of Doctor Arosemena strengthens me in the opinion I have for some time entertained, which is that neither of the three belligerent powers desire the mediation or interference of any power but the United States, and I believe would accept gladly the mediation of our government at once, if tendered.

I am, &c.,

S. NEWTON PETTIS.

No. 15.

Mr. Pettis to Mr. Seward.

No. 36.] LEGATION OF THE UNITED STATES,
La Paz, Bolivia, September 30, 1879. (Received Nov. 15.)

SIR: With reference to your dispatch of the 18th ultimo, No. 21, this day received, acknowledging the receipt of mine dated June 28 (last), No. 15, I may be permitted to say that I am gratified to learn that the action to which my dispatch referred met with Department approbation.

If not already, you will soon be in possession of the "*further developments*" of the question presented in such dispatch, and which I am glad to be informed is interesting the Department, as you will find all set forth in my dispatch No. 22, the length of which I regretted, but could not prevent.

From the contents of your dispatch I find further ground for the opinion some time entertained by me that these three contending powers all desire the settlement of their troubles by the United States, and I doubt whether all can agree upon any other power either by way of mediation or arbitration.

I think I intimated in a former dispatch that the late minister for foreign relations and Acting President of Bolivia, Pedro J. Guerra, had stated to me that Great Britain, Germany, and Brazil had tendered their friendly offices, and that M. Irogoyen, the Peruvian minister of foreign relations, had intimated to me the same thing, while Mr. Huneens, of the Chilian cabinet, added thereto the information that Ecuador, through a special envoy, Ex-President Urbina, had also offered the mediation of Ecuador, which had been declined; and now added to such refusals the rejection of Colombia, taken in connection with the several verbal avowals to me upon the subject, establishes me in the belief that they all desire the mediation of the United States, and that each and all are too proud *to ask* our government to interpose its friendly offices, as each of the ministers referred to declared to me that they would be satisfied with any action the United States might take in the direction and interest of peace.

I account for such preference, first, from the fact that Great Britain, Germany, and France are more largely interested financially upon the western coast of South America, and I may say in the three republics, than the United States, for it is doubtless true that the industries that have been paralyzed, and the commerce that has been destroyed by bombardment, which seems to be the favorite and principal system of warfare practiced thus far, was produced by their capital and fostered by their energies and intelligence, and it would not have occasioned any surprise to me had the countries whose citizens had invested their capital for the welfare of some, if not all, of these republics forbidden the destruction of their property by conduct that fell but little, if anything, short of a wanton indulgence of madness, malice, and folly.

Secondly, they pride themselves upon the avowal that they are as fast as possible fashioning their form of government after our own, and are vain enough to believe that they are succeeding, and that the United States are gratified, not to say flattered, by their exertions in this direction, and therefore feel an interest in the success of their experiment, and would deplore a failure upon their part, whether it came from internal dissensions or foreign intervention.

So far as the mediation of Ecuador and Colombia is concerned, I think the belligerents looked upon the offers as but little, if any, short of presumption upon their part, while Brazil's tender was not considered entirely disinterested under the circumstances.

In this connection I may say that Mr. Bollivino but yesterday informed me that the Brazilian minister resident here has been very importunate in his efforts and endeavors to have Bolivia accept Brazil's mediation, appealing to his excellency the late minister of foreign relations upon personal grounds, and giving as a reason that such an acceptance upon the part of Bolivia would result in his (the Brazilian minister's) promotion and advancement by his government.

I shall be glad to learn at any time that our government has moved in the direction of peace and a higher civilization for these people by way of mediation, feeling confident that such a step upon the part of the United States would be hailed with delight and satisfaction by all concerned, firmly believing that the hope of all, turns to the United States, and that such mediation, and such alone, will promote and secure the material interests of these three republics and those of South America generally, realizing as I do that the manner of conducting the war in the past and present is a piece of stupendous folly, and if persisted in can only result in utter ruin, bankruptcy, and national death, as the maintaining of their respective armies (so far from each other) will soon impoverish all.

Neither party has a fleet strong enough to engage in a conflict that would entitle itself to the dignity of a naval engagement, but each go skulking around seeking a safe opportunity (in the absence of the other) to destroy some thriving little town upon the coast, the product of foreign industry, capital, and enterprise, and sinking their launches; and it is palpable to the most casual observer of men and things that such campaigning can never end the conflict.

I know of no diversity of opinion in any of the three republics upon the question of a pacific adjustment of the differences and difficulties of these people, *all* feel that it should take place and promptly, but wherever you find the English entrenched with capital and strong in numbers, as in Valparaiso, or a small sprinkling of individuals as at Mollendo, you will hear mutterings about Yankee intervention, but it finds no countenance with or among the citizens or possessors of the soil, and

such blustering is understood by all to be the product of an anxiety to have England interfere and pacify these people.

As you may correctly infer from what I have hereinbefore stated, aside from this small English bluster, all not only desire our government's prompt action, but really expect it, and in fact, I think, are generally surprised at the delay upon the part of the United States.

My position here is understood perfectly (and has been from the outset) to be in favor of arbitration by a *friendly* power, that all could consider impartial, and have only entertained the consideration of the action of our own government in that connection, except as the indicated preference expressed by the cabinets of all three of the countries made it not only proper but absolutely necessary that I should.

Mr. Allen Carr, the Brazilian minister resident here (and who you may remember in Washington during the rebellion), volunteered to me a few days since the expression that after one engagement of the parties' forces he "would be with me in my efforts," meaning, I suppose, my efforts at pacification.

I have, &c.,

S. NEWTON PETTIS.

No. 16.

Mr. Hunter to Mr. Pettis.

No. 26.] DEPARTMENT OF STATE,
Washington October 1, 1879.

SIR: A dispatch, without number or date, has been received from you, detailing the incidents of your recent visit to Lima and Santiago, in the interest of peace between the parties to the existing war.

As your expedition was professedly undertaken without the knowledge or direction of your government, and as favorable results therefrom were not apparent at the time your dispatch was written, it seems premature to express either approval or distrust of your course. Your aim seems to have been limited to endeavoring to make each of the three governments concerned privately acquainted with the desire of the others for the termination of the contest, and the extent to which each might be disposed to make concessions in order to reach an accord as to the basis on which their differences might be eventually submitted to the arbitration of a friendly power, should a direct settlement be unattainable. Unauthorized, and even rash, as your experiment might appear, it may at least have led the contestants to the healthy consideration of the terms on which the strife might be ended. Should the knowledge of the views of each other thus gained conduce to an eventual settlement, this government could not but rejoice at the result. It is not, however, disposed to dictate a peace, or to take any steps looking to arbitration or intervention in disparagement of belligerent rights, or even to urge the conditions under which it may be reached. Its good offices have not been tendered, but if sought on a practicable basis of arbitration submitted by the several parties to the struggle, the President would not hesitate to use them in the interest of peace.

In this respect of the question, and having your own assurances that the governments with which you have conferred have been frankly acquainted with the unauthorized character of your expedition, the Department dismisses, as unbased rumor of a hostile press, the statement in

some of the Chilian journals, that you have indicated a purpose on the part of this government to end the war by intervention or by arbitration on terms proposed by itself.

Your further and frank reports on this matter are awaited with interest.

I am, &c.,

W. HUNTER,
Acting Secretary.

No. 17.

Mr. Pettis to Mr. Seward.

Unofficial.] LA PAZ, *October* 4, 1879.

DEAR MR. SECRETARY: I was to-day invited to a conference at the office of foreign relations for next Monday afternoon, of which I have advised Secretary Evarts.

I inclose a slip from the last issue (second) of the Panama Star and Herald, and the previous number as well. I send them that you may see how gently they write. I am assured, and am satisfied, that the people of the three republics have none other than the kindest feelings toward me, for the quiet course I have pursued in endeavoring to have them gratified in the interest of peace and civilization, and am myself gratified to be able to indulge in the belief that my labors will bear fruits, and that all will redound to the interest of North as well as South America, and their honor also.

With best wishes for your health and prosperity, and kindest regards to Mr. Secretary Evarts, I remain as ever, &c.,

S. NEWTON PETTIS.

Hon. F. W. SEWARD,
Washington, D. C.

[Inclosure 1 in Mr. Pettis' letter of October 4, 1879.]

[From the Panama Star and Herald, Lima correspondence of August 13, 1879.]

The American minister in Bolivia, Judge Newton Pettis, recently visited Arica and Iquique and had long private interviews with Generals Prado and Daza. He then proceeded to Chili. It is rumored that some attempt at mediation is being made by the United States, but if such is the fact the secret has been admirably kept. General Urbina, the special envoy of Ecuador to Chili, approached the Santiago Government with the same purpose, but met with immediate and decisive rebut.

[Inclosure No 2—From the same, Lima correspondence of August 27, 1879.]

By the last steamer from the south we are informed that the honorable Mr. Pettis, United States minister to Bolivia, had returned to Arica from his visit to Chili, and held a long private interview with Generals Prado and Daza. As was mentioned in a previous dispatch it is surmised that an effort is being made by the Government of the United States towards mediating in the present question between the three republics, and that this is the direct object held in view by Mr. Pettis. It is even named here that the probabilities are in favor of peace, and that Chili has consented to a suspension of hostilities, and that the respective Presidents of Peru and Bolivia are not averse to an arrangement of difficulties on an equitable basis. Peru would be

the gainer probably in some new dispositions regarding the goods for Bolivian consumption dispatched through her custom houses and transported over her territory; Bolivia would be placed again in possession of the ports seized by Chili, whilst the pretentions of Chili and Bolivia to the territory would be left to the arbitration of some third power. These are the rumors prevalent here, but such reticence is observed in official circles as to render it impossible to guarantee their accuracy. The belligerents, and Chili more particularly, evidently perceive that the struggle must be prolonged for an indefinite period, as the limited resources at their disposition naturally hamper all extensive military or naval movements, and Peru, with her diminished navy, cannot venture a decisive combat on the sea.

The American minister for Bolivia, Mr. Pettis, arrived at Arica on the Lima.

No. 18.

Mr. Pettis to Mr. Evarts.

No. 41.] LEGATION OF THE UNITED STATES,
La Paz, Bolivia, October 7, 1879.
(Received November 24, 1879.)

SIR: I have the honor to inform you that I yesterday attended the conference to which I was last Saturday invited by his excellency, Mr. Serapio Reyes Ortiz, minister for foreign relations, and of which I advised you of that date, in my dispatch No. 40.

Mr. Bollivino, the government interpreter and translator, called for me at the hour previously designated; and none were present at the conference but Mr. Ortiz, Mr. Bollivino, and myself.

His excellency at first took occasion to allude to the matter embraced in a communication which, in obedience to instructions from the Department, I some time since addressed to Mr. Guerra, the then acting minister of foreign relations, afterwards deceased, respecting the decree of the president of this republic in reference to letters of marque, assuring me that I should receive an answer at an early day.

Mr. Ortiz was in possession of the portfolio for foreign relations at the time of the declaration of war by Chili, but passed it over to Mr. Guerra to accept an important special mission to Peru, remaining at Lima until President Prado left the capital, about the middle of May last, to assume command of the Peruvian army at Arica and Tacna, when Mr. Ortiz accompanied him, remaining with the two presidents, Generals Daza and Prado, acting as secretary-general of state under General Daza until called here, to resume the portfolio he had laid down, in consequence of the death of Mr. Guerra, and is now the acting president of Bolivia.

I met Mr. Ortiz in Lima, on my way here, he calling upon me, in company with Mr. Minister Flores, the envoy extraordinary of Bolivia to Peru. I met him, with President Daza, at Pisaqua, when passing down the coast late in July, and at Arica, with both presidents, Generals Daza and Prado, upon my return. He was their adviser and counsel then, and I may say he is so still.

The conversation and conference soon turned upon the war, which, doubtless, was the purpose of calling it. Mr. Ortiz desired to know the feeling in the United States, and of our government.

I stated that I had learned nothing from that direction since my interview with the two presidents at Arica, in his presence, to change the

opinion by me then expressed; that my government deplored the unhappy differences existing between Chili, Bolivia, and Peru; and that I felt satisfied that the United States would gladly assist in any proper way in its power in the settlement of their troubles; in truth, stood ready to render any assistance it might in honor be able to, toward the restoration of peace, but was, of course, averse to doing anything, or saying anything, that would be considered by the parties interested either officious or presumptuous upon her part.

Mr. Ortiz then remarked that Bolivia had been all the time, and still was, in favor of mediation, and that he believed Peru was also; but that it had not been offered by any power that they felt inclined to accept; but that an offer of mediation from the United States would be considered respectful and respectable, coming from a responsible, powerful, and friendly nation.

I expressed the opinion that if my government was satisfied that the contending parties desired to avail themselves of its good offices, and that amicable relations could be restored through its efforts, I could not believe that the President of the United States, influenced by his desires to restore peace to the people of the three republics with whom his government is on such terms of entire cordiality and friendship, and to advance their prosperity would hesitate to tender the good offices of the United States for that purpose, but I thought before any such mediatory step upon the part of my government was taken, it would have to be satisfied that the offer would be acceptable to the contending powers, and in the spirit that it would be made; whereupon Mr. Ortiz stated that President Daza and President Prado, as well as himself desired the mediation of the United States and would gladly accept the same if offered, but that inasmuch as Chili had declared the war, Bolivia and Peru did not feel that they could honorably solicit formally the mediation of any other power.

I then added that such being the wish and desire of the two governments, it was possible that my government in consideration of such position of Bolivia and Peru, might, in the interest of peace and in its well known character and office of peacemaker, make the desired offer and tender, when the knowledge of such a desire upon the part of Bolivia and Peru became known to the President, and which I should lose no time in communicating to him, feeling that I should incur his displeasure, if not forfeit his good opinion by withholding it; and thus ended a very cordial and pleasant interview that lasted from 2 o'clock until nearly 4.

This morning I addressed a "*private unofficial*" note to his excellency, Mr. Ortiz, a copy of which I herewith send forward marked "Inclosure 1," and a few moments since received a reply, which translated by Mr. Bullivian and copied by me is herewith inclosed, marked "Inclosure 2."

By a comparison of that portion of my note (Inclosure 1) that is included within quotation marks, with his excellency's reply, you will discover that the minister flinches a little as he speaks of a condition of the disoccupying of the territory taken possession of by Chili, and which is claimed by Bolivia. Mr. Bullivian, who delivered to me the letter and the translation, informed me that it was only inserted (the condition) as expressive of the feelings of the people of Bolivia upon that question.

This dispatch will in all probability reach the department some time from the 15th to the 20th proximo, when I hope to be at Panama, and shall be pleased to receive, by cable, any advices that the department may desire to send me at that place.

Should I have occasion to cable the department from Panama, I will use for the word—

Mediation, Japan.
Arbitration, Panama.
Ecuador, Colon.
Columbia, Florida.
Brazil, Alabama.
Territory, Holland.
Christiancy, Letter "C."
Osborne, Letter "O."

In view of the fullness of this dispatch, it is not probable that any cablegram will be found necessary from me unless made so by advices that the department may address to me there.

I am of the opinion, from what occurred between the Chilian authorities and Mr. Osborn and myself at Santiago, that Chili desired, and will accept, the mediation of the United States, if it is offered, and I think Mr. Osborn was of the same opinion.

My impression is that all of these people are in fear of early armed foreign intervention, and perhaps not without reasonable ground for such apprehension.

I should, perhaps, state that Mr. Bullivian informs me that since the reply of Mr. Ortiz to me, Mr. Ortiz conferred fully with the envoy extraordinary of Peru, at La Paz, and that he concurred fully in Mr. Ortiz's expression to me.

I have the honor, &c.,

S. NEWTON PETTIS.

[Inclosure 1 in No. 41.]

Mr. Pettis to Mr. Ortiz.

Private and unofficial.] LA PAZ, *October* 7, 1879.

SIR: The more I reflect upon the character and conclusions of our interview yesterday, the more am I gratified at both, realizing that from the known, close, confidential, and intimate relations, personal and official, that have existed between both President Daza and President Prado and yourself since the declaration of war by Chili, you were authorized and prepared to speak for them and their governments as well, so far as an expression of their views and wishes concerned the question of the war, and peace as well.

You were pleased to say to me upon the occasion referred to, that "President Daza and President Prado, as well as yourself, desired the mediation of the United States, and would gladly accept the same, if offered, but that inasmuch as Chili had declared the war, Bolivia and Peru did not feel that they could honorably solicit formally the mediation of any other power."

I address to your excellency this private and unofficial note, for the purpose of asking if you will be pleased to put such statement upon paper, with translation by Mr. Bullivian, in order that I may establish it to the President of the United States, and to the Honorable William M. Evarts, Secretary of State of the United States, believing as I do that a compliance with such suggestion will result in such desired offer upon the part of the United States Government at an early day.

I have, &c.,

S. NEWTON PETTIS.

[Inclosure 2 in No. 41.—Translation.]

Mr. Ortiz to Mr. Pettis.

LA PAZ, *October* 7, 1879.

SIR: I answer with pleasure your welcome note of this date, with the same private character as the sentiments that we have interchanged in our unofficial confidence.

I have assured to your excellency that I believed that I knew of the feelings of their excellencies, the supreme directors of the war, and those of their respective governments of Bolivia and Peru, and the special reasons of the intercourse that I have maintained with them, and that I can formulate these feelings in following terms:

The allied nations will not refuse any mediation, but they cannot solicit it. They will see with pleasure that the supreme government of the United States will interpose effective or practical mediation in preference to that of any European states. As Peru and Bolivia have been offended, it would not be dignified and honorable for them to make any insinuations at all about a mediation; but they would accept it under the particular condition that the invaded territory of Bolivia shall be disoccupied by the Chilian forces.

The allied nations do not make war, only because they have been impelled to it; and they do not pretend to usurp the Chilian territory, nor diminish the rights of Chili as an independent state, but it is only to recover the usurped territory, conserving our own rights of sovereign states and the dignity of the pavilions of Peru and Bolivia.

They do not refuse the arbitration, and they will agree with the designation of any arbitrators whatsoever that may be honorable.

These ideas constitute the feelings of the directors of the two allied nations and are those of which I have the honor to manifest to your excellency, so that you can make use of this private letter with the noble purpose your excellency has undertaken for your government and the belligerent nations.

I have, &c.,

SERAPIO REYES ORTIZ.

No. 19.

Mr. Pettis to Mr. Evarts.

No. 42.] LEGATION OF THE UNITED STATES,
La Paz, October 8, 1879.
(Received November 24.)

SIR: Had time permitted before the mail of yesterday closed I should have inclosed a map, herewith sent forward, and added a few words explanatory thereof, which with it, is now submitted.

As I have been able to gather the facts involved in this controversy from the most reliable data at hand, I conclude:

First. That in the colonial times of these countries now at war Chili exercised her jurisdiction unchallenged as far north as the 23d degree (south latitude), which included the Bay of Majellones and a southern portion of the desert of Atacama.

Second. That after the Spanish yoke was thrown off no change was made in the boundaries between Bolivia and Chili for years.

Third. That it seems to me that there can be little, if any, doubt about the fact that the rich and valuable guano discoveries on the coast of the Atacama through the enterprise and industries of Chili, about 1840, resulted in a claim by Bolivia that has since been the subject of much controversy and several treaties, at least two.

Fourth. That discussion continued between the two countries, Bolivia and Chili, until 1864 or 1865, when an attempted invasion by Spain seemed to necessitate relations of cordiality between Bolivia and Chili, if they would observe the first law of nature, and, doubtless influenced by interested and selfish considerations, they were induced to forget, or at least smother, their own dissensions, in order to strengthen each other and make common cause against a common foe, concluded a treaty establishing the boundary line at 24th degree, which conceded to each a sort of tenancy in common between the 23d and the 25th degrees, upon certain conditions and under certain restrictions.

Fifth. Thus the two governments finally found themselves at vari-

ance upon the question of treaty stipulation observance, when discussion upon the subject resulted in the treaty of 1874 between Chili and Bolivia, which, by modification and change, actually abrogated the treaty of 1866, when in 1878 the two powers find themselves further apart than ever, and it would seem with respect to the observance or disregard of the treaty stipulations contained in the instrument and covenant of 1874, concerning which they went to war, and that, too, notwithstanding the treaty provided for arbitration between the parties in the event of any further or future misunderstanding.

Peru finds herself involved, either willingly or unwillingly, in consequence of a secret treaty with Bolivia, made in 1873, providing for the mutual protection of each other.

If I am correct in the premises, would it not be enough to ask of Chili to withdraw her forces south of the twenty-three and a half (23½) degree, *preceding* arbitration, if proposed and agreed upon? That would leave to Chili Antofagasta while arbitration was progressing, and to Bolivia Mejillones and Caracoles, although the map sent, locates Caracoles (in error) north of the 23d degree.

I suggest this in the belief that Chili would consent to this, and in that connection ask if Bolivia should not be satisfied with that as preliminary to pacific proceedings.

You will see that I have pencilled a line midway between the 23d and 24th parallel, which I think a fair subject of compromise upon the "*disoccupancy*" question, which Bolivia is always *remembering* and never *forgetting*.

I have the honor, &c.,

S. NEWTON PETTIS.

No. 20.

Mr. Pettis to Mr. Evarts.

No. 43.] LEGATION OF THE UNITED STATES,
La Paz, Bolivia, October 9, 1879. (Received November 24.)

SIR: I have the honor to inclose a translated copy of a communication this day received from the minister of foreign relations of Bolivia, in reply to mine to him with reference to the subject-matter of your dispatch No. 12, which is marked Inclosure 1.

The delay in answering mine upon the subject doubtlesss arose from he sickness and death of Mr. Guerra.

I am, &c.,

S. NEWTON PETTIS.

[Inclosure 1 in No. 43.—Translation.]

Mr. Ortiz to Mr. Pettis.

LA PAZ, *October* 9, 1879.

Mr. MINISTER: The executive council of this republic has had the honor to receive and take note of the dispatch your excellency has favored us with on the 25th of last August, with the object of advising us that your excellency has been informed by official note from Washington that the Government of the United States has learned that the British Government has been informed of a decree issued by this government, authorizing the use of privateers and the capture of Chilian property in neutral ships, and that to this effect Bolivia has sent agents to the United States.

In consequence of this, your excellency calls the attention of my government to the

treaty celebrated between the United States and Bolivia in 1838, and very particularly to the 16th article of said treaty, which expresses that the effects or goods belonging to the citizens of a belligerent nation are protected on board neutral ships, with the exception of contraband articles.

Answering the question which thereby arises, and which your excellency has the honor to put to me, whether the information received by the United States as to the decree given out by Bolivia is or is not true, I am gratified to inform your excellency that, in fact, my government, in the exceptional circumstances in which Bolivia finds itself as to the other states, for it absolutely does not count upon a single ship at sea, and in order to counteract the aggression of Chili, which possesses a powerful navy, has thought convenient to authorize in its defense the use of privateers, by the supreme decree published on the 26th of March, of the present year.

Your excellency will understand the perfect right that pertains to Bolivia, as she has not adhered to the treaty of Paris, which prohibits the fitting out of privateers; having besides respected the exceptional case which, by the treaty of 1858, exists with the United States, as, allow me to inform your excellency, in the decree issued by my government authorizing the privateers to seize all cargo of Chilian property found on board a neutral vessel, whether a contraband or not, are excluded those cargoes sailing under the United States flag.

With this declaration I have, &c.,

SERAPIO REYES ORTIZ.

His Excellency S. NEWTON PETTIS,
Minister Resident of the United States, &c.

No. 21.

Mr. Pettis to Mr. Evarts.

No. 44.] LEGATION OF THE UNITED STATES,
La Paz, Bolivia, October 15, 1879. (Received Nov. 24.)

SIR: I take pleasure in inclosing the communication of Mr. Minister Ortiz, of this date, in reply to mine to him last August, inclosing to him, as directed by the Department, a copy of a circular issued by the Secretary of the Treasury, accompanying your dispatch No. 13, marked Inclosure 1, translation.

I have the honor, &c.,

S. NEWTON PETTIS.

[Inclosure 1 in No. 44.—Translation.]

Mr. Ortiz to Mr. Pettis.

LA PAZ, *October* 15, 1879.

Mr. MINISTER: The council of ministers charged with the executive power of the government has had the honor to consider your official note, which, on the 25th of August, your excellency had the kindness to address this ministry, with inclosed copy of a circular published by the Secretary of the United States of America, in which the observance of the neutrality laws in the present war which Bolivia now sustains with the Republic of Chili is recommended.

Acknowledging, your excellency, the receipt of said official note and inclosed circular, I have the honor to refer you to the answer which I addressed to you on the 9th instant.

At the same time it is gratifying for me to repeat myself, yours, very sincerely,

SERAPIO REYES ORTIZ.

His Excellency S. NEWTON PETTIS,
Minister Resident of the United States of America.

No. 22.

Mr. Evarts to Mr. Adams.

No. 3.] DEPARTMENT OF STATE,
Washington, April 19, 1880.

SIR: I transmit herewith copy of a dispatch received from Mr. Thomas A. Osborn, United States minister to Chili, relative to the proposed exchange of prisoners of war between Chili and Bolivia. You will perceive that Mr. Osborn reports having written to the legation at La Paz on the subject. I have replied to Mr. Osborn that a change has been made in the incumbency of the mission, and that the person who had taken charge of the archives of the legation and consulate-general had not been invested by this government with any official functions, and could not, consequently, act in a diplomatic capacity toward the furtherance of the desired end.

The suggestion made in reference to the exchange of prisoners of war, like all others of a broadly humane character, has the sympathies of this government, and if the exercise of your good offices within their proper sphere will promote such a result without disparagement to the belligerent rights of any of the combatants, and especially of Peru, as the ally of Bolivia and presumably equally interested with her in such an arrangement, you are authorized to do what you can to promote the interests of humanity in the conduct of this unhappy war.

I am, &c.,

WM. M. EVARTS.

No. 23.

Mr. Adams to Mr. Evarts.

No. 3.] LEGATION OF THE UNITED STATES TO BOLIVIA,
Lima, Peru, June 14, 1880. (Received July 29.)

SIR: I have the honor to report my arrival at this place yesterday, the 13th instant. I was enabled to land at the blockaded port of Callao and reach this city without detention, through the assistance of Captain Brown, U. S. N., commanding the United States ship Alaska, whom by good fortune I met in the harbor of Chimbote, and who kindly placed his vessel at my disposal on its return trip from Chimbote to Callao. On entering the latter port I called with Captain Brown upon Admiral Rivera, commanding the blockading squadron of Chili on the coast, in order to inform him that in a few days I should land at Mollendo, a blockaded port further south, and request that the railway train which I would take there to proceed to La Paz be not fired upon from his ships, which request was granted readily and most willingly.

Captain Brown has informed me that in about a week he will be ready to take me to Mollendo, and I consider it really fortunate to have met him, as it would have been out of the question for me to visit Lima at all and place myself in communication with Minister Christiancy, which you considered advisable and of importance in your last verbal instructions, and which would have necessitated a land journey of several hundred miles through a desert, for which I was not prepared.

I will not endeavor to report upon events that have lately taken place here, as without doubt you will be advised by those who, being on the ground, have had better facilities to know. I will only state that after the defeat of the allies at Tacna on the 26th ultimo, General Campero, Provisional President of Bolivia, having lost half his army killed in the battle, separated from the Peruvian forces and with the remnant of his own soldiers took the road to Bolivia, promising, however, that he would return with a larger force. On the evening before the battle, General Campero had resigned the chief command of the allied forces, which had fallen to him by virtue of the treaty with Peru, stipulating that if the President of either republic should be with the troops he should be commander-in-chief of the troops of both republics, and had said when surrendering his command that on that day he ceased to be Provisional President of Bolivia, as the Congress of that country, called together to elect a constitutional President that day, had no doubt fulfilled its mission. The latest news from Bolivia, however, up to the 28th ultimo, is that, while said Congress had met on the 25th for the purpose of electing a President, it had failed to take a vote, adjourning from day to day and occupying the time with making patriotic speeches; evidently waiting for some news from the army. What may have happened in La Paz since that date it is impossible to say, and will be unknown probably for some time, but that perhaps another revolution with or without bloodshed has taken place may be imagined, when the hurried departure of General Campero from Tacna is considered, his own candidature before the Congres for election as constitutional President, and the hesitation of this Congress to proceed to a vote.

I am anxious to reach my post, and shall wait no longer than the Alaska is obliged to remain off Callao before proceeding to La Paz, although perhaps no time would be lost by remaining here until such time as some result of the action taken by the diplomatic corps should be apparent.

Should the action taken have any result, and possible proposals of peace from Chili be not entirely rejected by the Government of Peru, the latter could not act without also considering the status of Bolivia, and in that case it may be advantageous for me to know the wishes, ideas, and actions of the neutral representatives here, in order to co-operate with them in Bolivia after my arrival. I should be guided, however, in some measure by the opinion of Minister Christiancy, at whose request I attended a meeting of the diplomatic corps to-day, and who, I find, not only understands the situation thoroughly, but also has considerable influence in the deliberations of that body.

I am, &c.,

CHARLES ADAMS.

No. 24.

Mr. Adams to Mr. Evarts.

No. 4.] LEGATION OF THE UNITED STATES TO BOLIVIA,
Lima, Peru, June 22, 1880. (Received July 29.)

SIR: Since my last dispatch of the 14th instant, in which I had the honor to advise you of the existing uncertainty as to political affairs in Bolivia, advices have reached this city from La Paz to the effect that on the 1st instant General Narciso Campero was elected constitutional

President by the Congress, which had met on the 25th ultimo, after his report of the defeat at Tacna had been received, and after it had become known that the remains of his army were scattered and dissolved and that he himself was returning to La Paz with but a few followers.

Taking into consideration the reverses sustained by President Campero in the field, this action of Congress foreshadows a strong government for Bolivia, one that is well supported and therefore likely to endure.

I have the honor also to report that the proceedings of the Bolivian Congress, in its different acts and decrees passed, seem to indicate a further prosecution of the war with Chili, as new levies of men are projected; war material is to be gathered; the revenues of the republic pledged for war purposes, and any correspondence looking towards peace is to be considered treason and to be punished with death.

At the same time that the above news reaches us from La Paz, and without previous intimation whatever, a message of the Dictator of Peru addressed to the counsel of state is published, submitting a proctocol entered into by the representatives of both Peru and Bolivia on the 11th instant, looking towards the unification of the two republics into one, with a full constitution for the new republic, subject, however, to a plébiscite; all of which Mr. Piérola highly indorses, and advises its ratification.

Minister Christiancy will forward copies of the documents relating thereto, and will no doubt also report upon its merits and the probability of its adoption as far as Peru is concerned. Inasmuch as Bolivian advices are entirely silent upon the subject, it is impossible to say whether the people of that country, or even its present government, will agree to this confederation, and I cannot intelligently report thereon until I shall have reached La Paz and examined into the matter thoroughly.

I am notified that the steamer Alaska has finished coaling and will leave for Mollendo to-morrow, so I shall be enabled to reach La Paz by the 1st proximo, where I expect President Campero to be at the same time, and so be able to deliver my credentials to him in person, instead of to the president of the council of ministers, the secretary-general of state, or lately the first vice-president, under which different titles different persons have been in power in Bolivia since the flight of President Daza, and the absence from the seat of government of the Provisional President, General Campero.

I have, &c.,

CHARLES ADAMS.

No. 25.

Mr. Adams to Mr. Evarts.

No. 13.] LEGATION OF THE UNITED STATES,
La Paz, July 14, 1880. (Received August 25.)

SIR: Although in the political situation of Bolivia nothing startling has occurred since my arrival here, I deem it proper to advise you from time to time, and do so now, as the extreme quietness prevailing seems to me to be only the forerunner of a violent storm, which may engulf this Republic in utter ruin and end its existence.

Mr. Campero has been elected Constitutional President a month and

a half ago with the distinct understanding—he being the head of the War party—to carry on the war to the very extremes, if necessary; but instead, absolutely nothing has been done to organize a new army; so much so, that even the best battalion of Bolivian troops, which suffered most at Tacna, fought heroically, and was the only body which kept its organization after the defeat, on its arrival at La Paz was disarmed and furloughed against their will, simply because the government seems to be afraid of a new revolution. There are about 400 soldiers here in La Paz, and I see no indication of recruiting, drafting, or even of gathering the stragglers of the Tacna troops. Everything is at a standstill; no commerce; even production of the soil neglected. The Congress is still in session, but beyond proclaiming martial law in the republic, they have done nothing, but are considering in secret session, from day to day, the protocol of the Peru-Bolivia confederation, which, should it be accepted by the Congress, will surely lead to the disintegration of the republic, inasmuch as the southern departments are likely to join the Argentine Confederation, and one or two of the eastern departments Brazil.

In fact, the proposed confederation with Peru created no enthusiasm in Bolivia; the people, with the exception of where Peruvian interests predominate, are against it, and I should not be surprised that in the near future, either the peace party or the extremists will obtain control of the government, the present executive having failed to satisfy either party. That the government and the Congress understand this feeling is shown by the fact that the resignations of all the officials, especially in the south, of contrary opinions have been accepted, but at the same time I am informed confidentially that negotiations are now pending at least between Bolivia and the Government of the Argentine Confederation, not only to include the latter in the alliance against Chili, but in fact form a grand confederation consisting of Peru, Bolivia, and the Argentine Republic.

If this information is correct, it is of great importance, and if it should be accomplished it would change the status of the war materially, and at any rate would unite the different elements of Bolivia, as the south would really be enthusiastic for such a confederation.

The present political troubles in Buenos Ayres are, here at least, ascribed to intrigues of Chili, to prevent any possible alliance with its enemies, and should this be also understood at Buenos Ayres, the consummation of a triple alliance and confederation may be a thing of the near future, especially as Peru in its present financial difficulties would be very glad indeed, and it is indeed the only way out of its difficulties and to retain to coast districts now occupied by Chili, which contain the immense deposits of salitre and guano.

There are also rumors here that a certain party in Bolivia has made arrangements with Chili to make a separate peace, whereby the coast as far north as the River Loa shall fall to Chili, and Bolivia acquire the department of Moquequa, with the ports of Ilo and Arica, and the prosperous city of Tacna; but although no doubt such a course would be approved by many of the people here who are tired of the war, the international question of bad faith towards its allies, it is to be hoped, will preclude any such arrangement.

There are still some hopes expressed, especially since my arrival, that our government may see fit to intervene, and all sorts of rumors, such as the coast districts have been ceded to the United States in consideration of its help, or that the district of the Amazonas is to be purchased by us, gain credence amongst the people, which may be considered a

natural consequence of the course pursued by my predecessor, who seems of his own account to have acted very absurdly and has in many regards made my own stay very uncomfortable.

In conclusion, I have the honor to advise you that Mr. Cabrera, lately the Acting President of the republic, while the President was in command of the armies at Tacna, and himself a candidate before Congress, but defeated by General Campero, has been appointed minister plenipotentiary to the United States, and that his departure may take place at any time.

I am informed that Senor Cabrera is a thorough gentleman and able statesman, and although his appointment by many here is considered more an honorable banishment, it cannot fail to promote the good feeling existing between the two republics, and will undoubtedly be welcomed by yourself and the President.

I have, &c.,

CHARLES ADAMS.

No. 26.

Mr. Evarts to Mr. Adams.

No. 10.] DEPARTMENT OF STATE,
Washington, August 2, 1880.

SIR: With his dispatch No. 148, of the 20th of May last, Mr. Osborn, the United States minister at Santiago, Chili, transmitted to the Department a copy of his letter of the 13th of that month, addressed to Mr. Christiancy, the United States minister to Peru, in reference to the prospects of peace between the contending powers on the Pacific coast, and suggesting a method by which the Government of the United States might make its good offices available in the way of mediation.

Upon the receipt of this dispatch an identical telegraphic instruction was addressed to both Mr. Osborn and Mr. Christiancy for their immediate guidance in the matter referred to in Mr. Osborn's letter. The telegrams were dated the 29th ultimo, and read as follows:

Press upon Chilian Government our desire to aid in restoring peace on honorable terms between nations, to which we are sincerely and equally friendly. A like instruction is sent to-day to Lima.

On the 30th ultimo an instruction, embodying the telegrams adverted to, was addressed to those gentlemen. Mr. Osborn was advised that the tenor of his letter to Mr. Christiancy was approved by the Department, and the minister to Peru was likewise informed of its action in respect of Mr. Osborn's letter to him.

A copy of Mr. Osborn's dispatch above referred to is forwarded herewith,* and that you may be further informed of the course pursued by the Department in regard to the letter which accompanied it, the above recapitulation of its action has been embodied in the present instruction for your complete and full understanding in the premises.

I am, &c.,

WM. M. EVARTS.

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*For text of Mr. Osborn's dispatch, see Doc. No. 13, *post*, p. 25.

No. 27.

Mr. Adams to Mr. Evarts.

No. 22.] LEGATION OF THE UNITED STATES,
La Paz, August 5, 1880. (Received October 5.)

SIR: Since my last dispatch (No. 13) concerning the political situation of Bolivia nothing of importance has occurred. Congress is still in session, doing nothing apparently, but said to be engaged in secret sessions to deliberate upon the question of peace or further prosecution of the war.

Two weeks ago the question of peace was not even discussed openly; now two of our journals here propose the necessary preliminaries looking towards an armistice, and within a few days the two most prominent members of the cabinet, Mr. Carillo, of state and foreign affairs, and Mr. Salinas, of war, have been mentioned as favoring such a policy.

Arica, the Peruvian port lately captured by the Chilians, has been opened to Bolivian commerce, but such commerce has been interdicted by the government at the demand of Peru, and in consequence it is now rumored that Chilian troops will shortly move towards this city or Puno, Peru; the latter the only place by which communication is kept open between the allies.

Should this prove true, and it is likely, as the sentiment of Chili demands some action, either place could be occupied by a small force, and then indeed all intercourse between Peru and Bolivia would necessarily cease.

It is already said that the government here will abandon La Paz and retire to Oruro, and private advices have been received from Tacna that such movement may take place very shortly.

The war party here consoles itself with late news from Lima, stating that several ironclads, with war material of all kinds, purchased in the United States, have arrived, or will shortly arrive, and will change the aspect of the war materially, and this slim hope keeps off utter despondency.

I rather look forward to an early invasion of Bolivia, and as La Paz will naturally be the object of the enemy's attack, I shall probably have my hands full in protecting property and persons in that event.

Everything, however, is uncertain, and a day may change the whole aspect of affairs.

I have, &c.,

CHARLES ADAMS.

No. 28.

Mr. Adams to Mr. Evarts.

No. 26.] LEGATION OF THE UNITED STATES,
La Paz, September 2, 1880. (Received October 12.)

SIR: I have the honor to transmit herewith copies of correspondence had so far in relation to the mediation offered by yourself to aid in the restoration of peace.

I have, &c.,

CHARLES ADAMS.

[Inclosure 1 in No. 26.]

Mr. Osborn to Mr Adams.

LEGATION OF THE UNITED STATES,
Santiago, Chili, August 10, 1880.

SIR: On the 5th instant I received from Secretary Evarts a telegraphic message, which reads as follows:

"Press upon Chilian Government our desire to aid in restoring peace on honorable terms between nations to which we are sincerely and equally friendly."

The Secretary informs me that a like instruction was sent to Lima.

Upon the receipt of this, I visited President Pinto and urged upon him the importance to all the belligerents of a peace, and endeavored to convince him of the propriety of their availing themselves for that purpose of the friendly offers of the United States.

I am just in receipt of a response, in which I am informed that mediation by the United States in the form suggested by me in May last in communication to Secretary Evarts and Minister Christiancy will be accepted by Chili.

The form suggested, in brief, was this: To have the belligerents appoint ambassadors with full power to meet at some point on their coast on board an American man-of-war, there to enter upon negotiations, in the presence of, and with the advice and assistance of, such ambassadors as the United States Government might designate.

I am not yet in receipt of a reply from the Department, but I cannot doubt that my suggestions have been favorably considered.

It seems to me that there ought to be no objection on the part of the belligerents to mediation in the form suggested, and if you shall find the Government of Bolivia ready to agree thereto, I trust you will not fail to promptly advise me.

The Government at Washington is evidently anxious that some extra effort should be put forth with a view of facilitating the restoration of peace to these unfortunate countries.

I have arranged so that your correspondence for this legation can be sent under cover to the commanding general at Arica. He will forward here communications for me. You will, I suppose, have little difficulty in sending letters through the lines to him.

I shall write to Mr. Christiancy of this matter by the first mail.

Please let me hear from you at your earliest convenience.

Very respectfully, &c.,

THOMAS A. OSBORN.

[Inclosure 2 in No. 26.]

Mr. Adams to Mr. Carrillo.

LEGATION OF THE UNITED STATES,
La Paz, August 27, 1880.

SIR: I have the honor to advise you that I have received a dispatch from the minister of the United States near the Government of Chili, wherein I am informed that, my government having urgently "pressed its desire upon the Chilian Government to aid in restoring peace on honorable terms between nations to which it is sincerely and equally friendly," mediation by the United States had been accepted by President Pinto in a form which I shall take great pleasure to communicate to your excellency, if efforts of that kind are at all considered with favor by the Government of Bolivia, and an invitation to a conference can be accepted.

I am also informed that the same invitation and for the same purpose has been communicated to our minister at Lima.

I improve the opportunity to renew to your excellency sentiments of my highest esteem, and have, &c.

CHARLES ADAMS.

[Inclosure 3 in No. 26—Translation.]

Mr. Carrillo to Mr. Adams.

MINISTRY OF FOREIGN AFFAIRS,
La Paz, August 31, 1880.

Mr. MINISTER: I had the honor to receive your esteemed letter of the 27th of this month, by which you are pleased to inform me that "the Government of the United

States having urgently pressed its desires upon the Government of Chili to aid in restoring peace on honorable terms between nations to which it is sincerely and equally friendly," mediation of the United States had been accepted by the President of Chili in a form which your excellency offers to communicate me with pleasure, if efforts of that nature are considered with favor by the Government of Bolivia, and if it accepts the invitation to a conference, which you had the kindness so generously to propose.

You are also pleased to advise me that the same invitation and for the same purpose has been communicated to the minister of the United States residing at Lima.

It gives my government great satisfaction to recognize the high intentions with which the most excellent Government of the United States has offered its respected mediation in order that the ravages of war, in which three nations of the Pacific are involved, may cease. This friendly action, which manifests the noble object with which the great Republic of the North interests itself for peace among the republics of the South, in which the domination of force is contrary to its destinies, will always be considered by my government with sincere acknowledgments of its obligation, and which I may be permitted to express to your excellency as the representative of such elevated sentiments of Americanism.

My government, convinced that the mediation offered by a nation of such high merit for its policy, which, while so eminently just, strives to keep intact in America the honorable independence of the states on the new continent, cannot be disregarded without grave reasons, has authorized me to receive from your excellency the propositions of the suggested mediation in the form in which it has been accepted by the President of Chili.

Without prejudice as to what the Government of the allied Republic of Peru may have to say, I have the honor, in response to your generous invitation, to state that I am willing to agree to the proposed conference at a time, which you might indicate, and naming as place the office of this ministry, if convenient to your excellency.

With sentiments of the most distinguished consideration, I have, &c.

JUAN C. CARRILLO.

[Inclosure 4 in No. 26.]

Memorandum of an interview between Mr. Carrillo, minister of foreign affairs of Bolivia, and the minister of the United States, Mr. Adams, at La Paz, September 1, 1880.

Mr. ADAMS, referring to his note of the 27th ultimo, states that he is informed by Mr. Osborn, the minister of the United States at Santiago, that the Government of Chili has accepted the mediation of the United States in the following form: "Each of the belligerents to appoint an ambassador to meet at some point on the coast, for which purpose the Government of the United States will place at the disposal of the powers an American man-of-war, there to deliberate upon the conditions of peace in the presence of, and with the advice and assistance of, such American or Americans as the Government of the United States shall designate."

Mr. CARRILLO asks whether any distinct basis is stipulated on which Chili has agreed to these proceedings, to which Mr. ADAMS replies that it has not, but that the object of the conference appears to him to be to come, if possible, to an understanding as to the basis whereupon an honorable peace can be accepted by the three countries.

Mr. CARRILLO thereupon asks what the result of the conference would be, if, as might be expected, the ambassadors cannot come to an understanding; whether he, in that case, is to understand that nothing further is to be done, or whether in that case, it is proposed to leave the decision of all questions and the conditions of peace to the United States.

Mr. ADAMS in reply regrets that Mr. Osborn's dispatch is not explicit enough to give a decided answer to this question, but inasmuch as it speaks of full powers being given to the respective ambassadors, and as, if the duties and powers of the Americans were limited to those of simple spectators or even advisers, the conference would likely be without result, and as he felt sure that the government of the United States had not offered its good offices for mediation simply as a matter of compliment, but actually desired a termination of the war, it seemed to him, and he felt authorized to say, that the idea is or should be, that in case the respective ambassadors of the three powers cannot agree amongst themselves, they should have instructions and full powers from their governments to leave the settlement of all questions and the conditions of peace for arbitration; so to speak, to the Government of the United States, to be decided either at home or by commissioners appointed at Washington, deliberating in the presence of the said ambassadors on board an American man-of-war, but that in any case the decision should be final and end the war. Furthermore, Mr. Adams

thought proper to say, in order to express fully the sentiments of his government, that so far from being desirous of exerting a decisive influence in the settlement of these troubles, it would be content if the three ambassadors on board the American man-of-war could agree upon some other power, neutral in all respects, whose services as arbitrator, either alone or in conjunction with the United States, might promise a speedy, just, and complete settlement and peace.

Mr. CARRILLO, after expressing his thanks, referring in eloquent terms to the Great Republic, its influence, its leadership in American affairs, its laws and institutions, its government and the character of its people, declares that he fully understands now the object of the mediation, but that it would appear just to Mr. Adams if his government withheld its official acceptance until it had heard from its ally, the Government of Peru; the more so as in the near future he ought to certainly hear from the Bolivian minister at Lima in regard to this matter, as he understood that the Government of Peru had also been informed and invited to this conference.

Mr. ADAMS, while protesting that his government under no circumstances would lend its aid or good offices to any arrangement to which not all the belligerents were parties, still in order to gain time and to put an end as soon as possible to the heavy war expenses under which the three countries were groaning, would suggest that Bolivia appoint its ambassador at once, who might proceed to Mollendo, and so being in direct communication with Lima, at the same time would be on the spot and negotiations might commence, if, as he had no doubt, Peru agreed to the proceedings.

Mr. CARRILLO, while acknowledging the propriety of such a step, thought it proper to inform Mr. Adams that if Bolivia should do so, the Government of Peru might consider it an act of presumption, and as already several actions of Chili as towards Bolivia had aroused a certain jealousy and feeling of mistrust in Peru, he believed it to be better to do nothing until that government could be heard from; he would, however, not fail to immediately lay the matter before the President and the cabinet, and would as soon as possible inform the minister of the United States of its views.

Mr. ADAMS thereupon, and to conclude the interview, offered to undertake to forward through the Chilian authorities at Arica and before Callao any communications relating to this subject which the Government of Bolivia might wish to transmit to or receive from its minister at Lima, so that in that manner at least some time might be saved; which offer was accepted with thanks.

[Inclosure 5 in No. 26.]

Mr. Adams to Mr. Osborn.

LEGATION OF THE UNITED STATES,
La Paz, September 2, 1880.

SIR: In answer to your communication of the 10th ultimo, I have the honor to state that the Government of Bolivia will accept the mediation and if necessary the arbitration of the United States, provided its ally, Peru, decides to do so, but as so far it has not heard from Lima in regard to the matter, it feels bound for the present to withhold its formal acceptation.

The form as suggested by you in your dispatch and as accepted by Chili does not seem to provide for the eventuality which is likely to occur, in case the ambassadors of the belligerents, even with the advice and assistance of American commissioners, should fail to come to an understanding, so I took the responsibility to explain to the government here, that the idea is, in case the ambassadors cannot agree, they should at least have full powers to leave all questions in dispute and conditions of peace to the Government of the United States for arbitration, so to speak, either to be decided at home or by commissioners here; but the decision in either case to be final.

I may be wrong in the premises, and the form as suggested by you may not intend arbitration on our part, but I chose to interpret your dispatch as above, considering it more in accordance with the dignity of the United States, if it interferes at all and takes part in the negotiations, to have the power to make the same binding and settle the matter for good.

In order to facilitate matters, I have offered to arrange the transmittal of dispatches between this government and Lima on this business through the Chilian authorities at Arica and before Callao. If, however, you should receive information that Peru accepts, I would ask you to send me word at once, and immediately thereafter the Alaska, or whatever vessel is designated, might go to Mollendo to receive the Bolivian ambassador, whom I should probably accompany to that point.

Taking it for granted that in case these negotiations come to a head you will accompany the Chilian ambassador, I promise myself the pleasure of meeting you personally under pleasant circumstances. Meanwhile I am, &c.,

CHARLES ADAMS.

No. 29.

Mr. Adams to Mr. Evarts.

No. 27.] LEGATION OF THE UNITED STATES,
La Paz, September 2, 1880. (Received October 22.)

SIR: Since my last report of the political situation of Bolivia, dated August 5, absolutely nothing has occurred to change the aspect of affairs. The Congress is still in session, but has done nothing to help the country in its present weakness except to legalize what is called a forced loan of $500,000, which will be exacted mostly from the foreign merchants. Some attempts have been made to organize a national guard for home protection should the Chilians take it into their heads to visit La Paz, and every Sunday we have the spectacle of seeing a great number of men of all classes assemble in the plaza and march around the same two or three times with martial music, but as the country has not a single rifle to arm those men, and as there is no possibility whatever of the government being able to make or purchase any, the whole proceeding is calculated to expose the very weakness of Bolivia, although still some of the papers shout for war, getting bolder in their utterances, because Chili seems to rest on its laurels at Tacna and Arica. That any soldiers have been or are being raised to oppose the Chilian army in its next onward march, I have not heard of; and, unless Peru sends the arms, the latter will have to fight the next battles alone.

The cherished plan of Dictator Pierola to organize and become supreme ruler of the United States of Peru, Bolivia seems to have been entirely lost sight of, as the Congress here seems to be afraid to touch the subject, it having voted to postpone the consideration of the same until a great many other matters are disposed of, and the late action of the chargé d'affaires of Peru in forbidding or protesting against granting a concession to Mr. Brabo and company, organized to open communications towards the Atlantic, basing his protest on one of the articles of the proposed confederation, has opened the eyes of a good many people as to the evident intention of Peru not to allow Bolivia to extend its commerce or make use of the immense natural advantages it possesses, except by paying tribute to Peru at its ports on the Pacific, and the bitter feeling expressed seems to show that even should this confederation as a war measure be accomplished it will be but of short duration on account of the evident desire of Peru to make the natural resources of Bolivia contribute to its own wealth.

If in addition to this the ambition of the ruler of Peru should frustrate the attempts now made for the establishment of peace, which the people here and also the government, I believe, are very anxious indeed to have brought about, then indeed the grand idea of confederation will but remain a still-born infant, and instead a decided rupture may be the result.

Peace indeed is the great necessity for this country, although directly it has suffered comparatively little; and I can only express the hope that the mediation of our government may bring it about, no matter how the jealousies of other powers may be provoked thereby.

I have, &c.,

CHARLES ADAMS.

No. 30.

Mr. Adams to Mr. Evarts.

No. 28.] LEGATION OF THE UNITED STATES,
La Paz, September 4, 1880. (Received October 22.)

SIR: On the 2d instant I had an opportunity to forward my mail by a special messenger to the coast, and in my dispatch of that date (No. 26) I had the honor to transmit to you copies of correspondence and a memorandum of a conference held with Mr. Carrillo the day before, relating to the mediation between the belligerents proposed by yourself through Mr. Osborn, by which it appeared that the government of Bolivia was not likely to refuse the same, provided that Peru agreed thereto; but I was not able to forward the formal answer to the proposition, which I received only last night, it having been delayed because of a serious indisposition of President Campero, the cabinet meeting had been postponed.

I now have the honor to transmit a copy of the official answer in Spanish, and also a literal translation made by myself, from which you will perceive that Bolivia unreservedly accepts the mediation, and is not only willing, but anxious, in case the ambassadors do not agree, to leave the whole matter to our government for arbitration, only stipulating that its sovereignty and independence be acknowledged as the basis of proceedings.

I considered it proper in my note of acknowledgment—a copy of which is also inclosed—to add a few words, which I hope will meet your approval.

I have, &c.,

CHARLES ADAMS.

[Inclosure 1 in No. 28.—Translation.]

Mr. Carrillo to Mr. Adams.

No. 9. Confidential.] MINISTRY OF FOREIGN AFFAIRS,
La Paz, September 3, 1880.

Mr. MINISTER: In accordance with what I had the honor to declare to your excellency in the interview of the first instant, and repeating the acknowledgment which is due to the most excellent Government of the United States for the initiative it has taken by proposing its aid towards an honorable settlement of the present war of the Pacific, it gives me satisfaction to advise your excellency that, in conformity with the treaty of alliance which binds this republic to that of Peru, I have this day addressed to the cabinet at Lima a note, in which I make known that, on my part, I consider the proposed mediation by the most excellent Government of the United States in accordance with the great interests of America and modern civilization, and that I hope, in order to accept the same definitely, to be advised officially of the consent which the allied government may have given to a like invitation extended to it, inasmuch as this concurrence is indispensable to the good faith with which Bolivia guards its engagements.

As soon as I shall be advised officially of its acceptance by the Government of Peru, Bolivia will, without delay, send its plenipotentiary to join those of the allied nation and Chili, and to take part in the conferences and deliberations which are to be held on board a North American vessel, in order to terminate the present complications of the war.

The Government of the United States having resolved to point the way so significantly by its proposition to bring about a settlement equally honorable and acceptable to the belligerent republics, the Government of Bolivia understands that arbitration is to be the essential basis of the offered mediation, for the reason that it is not probable that the plenipotentiaries named will be able to settle the grave differences which exist between the states which they directly represent.

With that idea, and feeling that it is the decided object of the Government of the

United States to aid seriously and in an honorable manner in the re-establishment of peace, as your excellency was kind enough to declare in the interview referred to, my government reposes the utmost confidence in the mediation as well because thereby it consigns the justice of its actions to the decision of a powerful nation, as because it introduces arbitration as an essential condition which, while maintaining towards the contending parties an equally dignified attitude, guards their sentiments of national honor and offers the only certain solution—one which is in accordance with the principles of justice.

My government, interpreting faithfully the national sentiment, can assure your excellency that, as much as Bolivia is resolved at any sacrifice to sustain in the present war its rights of sovereignty and independence against the impositions of force, which are contrary to South American politics, it is also ready to accept, without reserve, any means which, while preserving its honor, may tend to re-establish peace; and, believing that this will be the result of the proposed mediation, my government will also accept with pleasure that the most excellent Government of the United States may be the judge-arbitrator to decide all questions relating to the present struggle of the Pacific which it should be impossible for the plenipotentiaries of the belligerent powers to regulate and settle.

While declaring in this open and frank manner the resolution of my government in cordial response to the mediation offered by the most excellent Government of the United States, I have, &c.,

JUAN C. CARRILLO.

[Inclosure 3 in No. 28.]

Mr. Adams to Mr. Carrillo.

LEGATION OF THE UNITED STATES,
La Paz, September 4, 1880.

SIR: I have the honor to acknowledge the receipt of the note, dated yesterday, which your excellency had the kindness to transmit to me, and in which you declare in such eloquent language that the Government of Bolivia is prepared to accept the mediation and, if necessary, the arbitration of the Government of the United States, as proposed, if the allied Government of Peru should also agree thereto.

I shall not fail to acquaint my government with the sentiments so creditable and honorable to yourself and your government, and can only express the hope that that of Peru, animated by the same enlightened views, may also consent to this manner of ending a cruel, unnatural, and fratricidal war.

If, unfortunately, after all, this attempt should prove ineffectual, I can at least bear witness that Bolivia was ready to stop the further effusion of blood, and the blame must rest where it belongs.

I am, &c.,

CHARLES ADAMS.

No. 31.

Mr. Adams to Mr. Evarts.

No. 29.] LEGATION OF THE UNITED STATES,
La Paz, September 14, 1880. (Received November 4.)

SIR: Having received from Mr. Christiancy a dispatch, dated the 7th, from Arica, in regard to the proposed mediation in the interest of peace, I, without delay, called upon Mr. Carrillo, the minister of foreign affairs, at his office, and have now the pleasure to transmit a memorandum of our interview, which, as far as Bolivia is concerned, certainly demonstrates that the efforts of our government are fully appreciated.

I also have the honor to inclose a copy of Mr. Christiancy's dispatch, and my reply.

I am, &c.,

CHARLES ADAMS.

[Inclosure 1 in No. 29.]

Mr. Christiancy to Mr. Adams.

ON BOARD U. S. STEAMER WACHUSETT,
On the way from Valparaiso to Arica, September 3, 1880.

SIR: As I had not heard from Mr. Osborn, our minister at Santiago, for some time, and felt quite confident that the Peruvian Government was ready to enter upon negotiations for peace, with the friendly mediation of the United States, I left Lima on the 15th of August, and reached Santiago August 27th, where I immediately learned from Mr. Osborn that the ministers of England, France, and Italy, at Santiago, acting in concert with the ministers of the same governments at Lima, had urged the Chilian Government to offer peace to Peru, on condition of ceding to Chili absolutely the province of Tarapacá, and that the Chilian Government was waiting an answer from the ministers of France, England, and Italy in Lima to their colleagues in Santiago, indicating whether Peru would accept such condition of peace.

Should Peru thus accept there would be no special object for mediation by the United States; but the Chilian Government accepted unconditionally the friendly mediation of the United States, and if the representatives of England, France, and Italy do not succeed in getting Peru to accept peace on the terms they have proposed, and that they (said representatives) can guarantee such acceptance, then I am satisfied it is the wish of the Chilian Government, as I know it to be of our own, that the United States should offer their friendly mediation, provided both Peru and Bolivia accept the same, and I feel confident that Peru will gladly accept such mediation as soon as I can see the Dictator Piérola. In fact I should have consulted him before leaving Lima, had I known the position of the Chilian Government.

Mr. Osborn informs me that he wrote you some two weeks ago of the disposition of the Chilian Government, and their willingness to accept our mediation, and that in the event of Bolivia and Peru accepting such mediation, you and Mr. Osborn and myself should come to Arica upon a naval vessel of the United States and meet there the ambassadors of the three belligerent powers, and that we should there aid, in a friendly manner, to secure peace. As Mr. Osborn's letter was forwarded to you by courier from Arica, he thinks your answer must be in Arica before now, and perhaps may have been sent on to him by mail steamer; but I am to inquire when I get to Arica, and if your letter to him is there I am to open and read it, and see that it is forwarded to him.

It is very important that Mr. Osborn and myself should know as soon as possible whether Bolivia accepts the mediation of the United States. She may not be willing to accept without knowing that Peru will do the same. In such case, in order to save time, let the Government of Bolivia accept on condition that Peru shall do so.

I take it for granted and have full confidence that both Bolivia and Peru will accept the mediation, and just as soon as this can be ascertained I am to fix the day of meeting at Arica, which Mr. Osborn and myself think can be brought about by the 5th of October, and we therefore think it best that you should come down to Arica by that time, and that an ambassador from Bolivia should come with you. Please write Mr. Osborn and myself fully, under cover to the general commanding at Arica, who will forward to me and to Mr. Osborn unopened. And as there is a line of telegraph from Arica to Santiago, please write a dispatch to Mr. Osborn inclosed in a letter addressed to the general commanding at Arica, asking him to forward the dispatch. The dispatch should say only (if Bolivia accepts mediation), "Bolivia accepts." If she does not accept, please say in the dispatch only "Bolivia refuses."

You will readily understand that, if all the belligerents accept the mediation of the United States, the opening of the negotiations will not depend upon any condition such as that proposed by the ministers of England, France, and Italy; but that the field is open to any terms which, under our friendly mediation, all the parties may be willing to accept.

I will further say that should you and any ambassador come down to Arica, the general commanding there is instructed to treat you and such ambassador with all kindness and attention. He is also ordered in the mean time to aid in any way he can to facilitate communication between yourself and Mr. Osborn and me. I shall call to see him at Arica and deliver him a letter from his government, and I may possibly drop you a short letter from there in addition to the present.

I send you inclosed a copy of the mode agreed upon between Mr. Osborn and myself for telegraphing, &c., which you can also adopt.

I have strong hopes that in some one of the ways now under consideration peace will be restored.

I am, very truly, your friend,

I. P. CHRISTIANCY.

[Inclosure 2 in No. 29.]

Memorandum of a conference held at La Paz September 13, 1880, *between Mr. Carrillo, the minister of foreign affairs of Bolivia, and Mr. Adams, the minister resident of the United States.*

Mr. ADAMS opens the interview by stating that on the same morning he has received from Mr. Christiancy, the minister of the United States at Lima, a dispatch dated Arica, September 7, in relation to the proposed mediation of the United States, and inquires whether anything relating to the same subject has been received from Lima by the Bolivian Government.

Mr. CARRILLO states that he has been anxious for this interview, inasmuch as he has dispatches from Mr. Terrazas, the Bolivian minister at Lima, up to August 27, in which no mention is made of the proposed mediation of the United States, although he had been led to suppose that by that date certainly the Government of Peru should have been consulted thereon, as it was the same date on which he had been first addressed upon the subject. He continues to state that, however, the three powers, England, France, and Italy, on August 17, had made offers of mediation to Peru, and that the same had been considered favorably upon the condition that Bolivia accept the same; that, however, his government had decided to answer in the negative, because, first, it had already accepted a like mediation offered by the United States, and, secondly, because it preferred mediation by the United States—that power being not only American and Republican, but also connected with the South American States by other ties and relations than those simply of commerce.

Mr. ADAMS explains that Mr. Christiancy had left Lima for Santiago on August 15, and that not until he reached there had he heard of the proposed mediation of the three powers at the same time with that made by Minister Osborn on behalf of the United States; that, however, from the tone of his dispatch, Mr. Adams concludes that he, probably, before his departure to Chili, has had an interview with Mr. Piérola, of a personal nature, in regard to this matter, from which it may be assumed that there will be no objection on the part of Peru to accede to the proposed conference; so much so that Mr. Christiancy and Mr. Osborn have already fixed upon the 5th day of October as the date of the conference of Arica, and have requested that the Bolivian ambassador and himself (Mr. Adams) meet them there on that date. As to the proposed mediation of the three European powers, Mr. Adams understands that it has been accepted by Chili, based upon the condition that Peru cede the province of Tarapacá; while that of the United States has been accepted unconditionally, which, leaving open all questions, seemed to him therefore of a nature more acceptable to the allies; and if, as he understood now, Mr. Piérola had not objected definitely to the former, he could not but believe that he would accept the latter; and so, inasmuch as by the refusal of Bolivia the former must end, it seemed to him that now the acceptance of Peru might be considered certain, and that therefore nothing remained in the way to make preparations for the proposed conference on the 5th proximo, which he (Mr. Adams), at the invitation of his colleagues, should be happy to attend.

Mr. CARRILLO states that he has no information of the condition attached to the proposal of the powers; in fact, no mention of any had been made by its representatives when offering their good offices; but, however that may be, this had been disposed of, and he could only repeat that his government would willingly leave the whole matter to the United States, and in that sense, with the further information now given, and regretting the absence from Lima of Mr. Christiancy, by which the expected answer from the Government of Peru had been delayed, he would make the necessary preparations for the proposed conference, but hoped still to receive a final dispatch from Lima before the actual departure of the Bolivian ambassador.

Mention being made by Mr. Carrillo of the reported bombardment of Callao by the Chilians, which Mr. Adams thought improbable in view of the proposed negotiations, and the probability being discussed of hearing from Lima, the interview thereupon terminated.

[Inclosure 3 in No. 29.]

Mr. Adams to Mr. Christiancy.

LEGATION OF THE UNITED STATES,
La Paz, September 14, 1880.

My DEAR SIR: I received your dispatch, dated on board the Wachusett the 3d, with inclosures from Arica under date of the 7th instant, yesterday, and lost no time to have a conference in regard to it with the minister of foreign affairs. Of course before you receive this you will have my former letter advising you that Bolivia accepts

and only waits the acceptance of Peru before it sends its plenipotentiary to the conference.

The situation is not materially changed, although your absence from Lima has delayed the consummation of the proposed mediation by the United States, while that made by the three powers had been transmitted here from Lima for approval, but was promptly rejected because that of the United States is preferred and had already been accepted.

So, concluding from the tone of your dispatch that you are certain of Mr. Piérola's acceptance, I have in that sense prevailed upon the government here to make its preparations for the conference on the 5th proximo, as suggested, although we still hope to have the official note of acceptance from Lima before we start upon the journey, which at best must be one of hardship and privation.

I would much prefer and shall probably after all come via Peru and Mollendo, and as the distance from Arica to that place is not considerable by sea, if on your arrival at Arica you find that I have concluded to go by Mollendo, it cannot make much difference for the vessel to call there.

I shall, therefore, if I do not go overland, send a letter in care of the commanding officer at Arica, which will inform you of my movements, which I cannot do at present, as the Bolivian ambassador has not yet been named, and as I intend to defer in a measure to him, whoever he may be.

I shall send a dispatch (telegram) to Mr. Osborn by this messenger, as suggested by you.

Hoping that the Peruvian government will agree and that no fiasco may reward our pains, by which besides the renown of our government might be compromised,

I am, &c.,

CHARLES ADAMS.

No. 32.

Mr. Adams to Mr. Evarts.

No. 32.] LEGATION OF THE UNITED STATES,
La Paz, October 4, 1880. (Received December 6.)

SIR: Instead of being able to advise you that actual negotiations in the interest of peace have commenced, I am sorry to be obliged to report that a further correspondence has taken place, from which it will be perceived that the proposed conference must be deferred.

Mr. Carrillo's lengthy note reached me on the evening of the 1st, when it had been arranged that in order to be present at Arica on the 5th we must be *en route* early in the morning of the 2d; and at the same time I was informed by the secretary of the ambassador that, so far as the latter was concerned, he had received instructions to delay his departure, although it was expected by the government that I would go to confer with my colleagues.

As Mr. Carrillo's note does not exactly withdraw its former acceptance, but nevertheless intimates that under the circumstances Bolivia is not bound to adhere to it, and as I did not care to place myself in the same position as my predecessor did, earning by his anxiety so little glory and so much ridicule for his pains, I immediately decided not to go, and after due deliberation wrote my answer, some of the sentiments of which may not be pleasing, but are based upon truth and my best judgment.

I consider this letter of Señor Carrillo not at all as an expression of a desire to withdraw Bolivia's acceptance of the mediation, for everybody is anxious enough to have peace established, but as a means of gratifying the national pride and public clamor, and I am borne out in this opinion, as this letter is published in last night's newspaper, and is well adapted, by its grand phrases and little meaning, to quiet the public excitement, which a few days ago, only for the prompt interference of President Campero in ordering many arrests, had nearly resulted in a

revolution in favor of the peace party, and it also serves as an answer to the recent debate in Congress, where an interpellation in regard to this mediation was vigorously discussed. I, however, considered a little truth advisable at this point, and hope that my note—by which I meant to convey the idea that while our government is ready to act as mediator in the interest of peace, after the plenipotentiaries of the three powers have met, it does not intend to become a carrier of messages and investigator of grievances between the governments before such meeting—will meet your approval.

The cause of all this seems to be the destruction of a sugar plantation in Northern Peru owned by a very rich firm in Lima, the members of which have been very active supporters of Dictator Piérola, and furnished large sums for the prosecution of the war, which, however, was not ordered until after a war contribution of $100,000—the property destroyed is said to be worth four millions—had, by order of Dictator Piérola, been refused.

Of course Mr. Christiancy will know the particulars better and report accordingly, when you can judge whether this was a breach of the laws of war, and whether Chili is responsible for having violated its pledged word towards the United States, by first accepting its mediation and then fitting out expeditions of this kind, as Bolivia, and no doubt also Peru, seems to assume.

I expect to hear shortly from Mr. Christiancy, and should not Peru decidedly decline further negotiations, I have no doubt that Señor Carrillo will be glad to carry out his arrangements in accordance with his former views and agreement.

I have, &c.,

CHARLES ADAMS.

[Inclosure 2 in No. 32—Translation.]

Mr. Carrillo to Mr. Adams.

No. 11.] MINISTRY OF FOREIGN AFFAIRS,
La Paz, October 1, 1880.

SIR: The last deeds of devastation committed in Northern Peru by Chilian forces against private property, disgraceful and of the most odious character as they are, have attracted the consideration of my government, not only because they are an outrage to civilization and the law of nations, which limits the damages of war to such as are strictly necessary to secure the results of military operations, but also because these acts tend to compromise the official word of one of the belligerent powers pledged to a friendly nation, which, for the sake of peace and American interests, had taken upon itself the noble effort to make its offered mediation effective.

My government, in mentioning these deeds, pronounces them contrary to the usages of war; especially those lately committed on the property of Señor Don Dionisio Derteano, when the hostile army, instead of turning its arms against the allied forces and those in the neighborhood of Lima, employed them to destroy the rich establishments and warehouses of a defenseless citizen. My government is convinced that the opinion of the other American States will also condemn these acts as contrary to the universal law of nations, as well as the traditional law of America, which has not permitted wars of devastation.

My government, knowing that the hostile operations of Chili from the beginning had not been moderate either in the respect due to the law of nations nor in the object which served as cause of the war, resolved, in accord with its ally, to maintain at any sacrifice the common national independence and South American interests, alike exposed with those of Bolivia and Peru, against the unjust domination of force.

While such preparations for a great struggle were being made, the end of which could not but be favorable to the just cause and the combined strength of the allied powers, your excellency was kind enough to bring to the knowledge of my government, in your respected note of the 27th August last, that the President of the

Republic of Chili had accepted the mediation offered by the most excellent Government of the United States in the capital of Santiago. With such antecedent, and the noble desire to contribute to the restoration of peace so long interrupted, your excellency offered like mediation to this republic on bases which, being honorable to the belligerent States, could not be rejected by my government. In that sense, and after the conference of the 1st September, it was frankly accepted by the note from this ministry of the 3d, same month, with declarations which, while they defend the dignity of the republic and the engagements with the allied nation, demonstrate the high respect which my government places in the means of conciliation which acknowledge international law, as well as the faith which the official word of the Government of Chili should inspire when, listening to the counsel of reason, it had accepted the mediation proposed by a friendly nation.

A short time since the same mediation was confirmed in Santiago by his excellency Mr. I. P. Christiancy, plenipotentiary of the United States near the Government of Lima, and offered to the allied Government of Peru, was accepted with the deference due the most excellent government of your excellency.

After the friendly intervention of the most excellent Government of the United States had been so formally accepted, during the middle of August, and while in accordance with its acceptance by the allied powers the preliminary preparations for the first conference were being made, on the 10th of September and with extreme violence those deeds of devastation occurred which have been mentioned at the beginning of this note.

While such conciliatory measures were going on with the aid of a friendly nation it is difficult enough to harmonize the authorized expression of such peaceful proceedings with the outrageous hostilities committed on defenseless citizens and with the burning and destroying of private property far from the center of military operations.

My government believes it to be its duty to call the attention of your excellency to these deeds and the grave contradiction which they imply. It is still possible that they are unauthorized and reprehended by the Government of Chili; but in any case they will, on account of the atrocity and the time when they took place, merit your excellency's impartial and just consideration, inasmuch as you, while faithfully representing the intentions of your government, take such marked interest towards an honorable and dignified settlement of the present struggle on the Pacific.

Having mentioned the grave incidents as they occurred, the consideration of which and the bearing they may have upon the proposed mediation my goverement leaves to the discernment of your excellency, I have, &c.,

JUAN C. CARRILLO.

[Inclosure 3 in No. 32.]

Mr. Adams to Mr. Carrillo.

LEGATION OF THE UNITED STATES,
La Paz, October 2, 1880.

SIR: I have the honor to acknowedge the receipt of your note of yesterday, in which you take occasion to protest against the late operations of a Chilian force in the northern part of Peru, not only because they are an outrage to civilization and a violation of the law of nations, but also because these actions, if authorized by the Government of Chili, appear to be in direct violation of its national honor and its pledged word when it had accepted the mediation offered by the Government of the United States as a basis of peace.

Not knowing at this time the causes which led to the unnecessary and cruel destruction of private property, I cannot but reserve my opinion, but shall not fail to bring to the knowledge of my government the contents of your note, and I beg to assure your excellency that the Government of the United States, should it become convinced that its offered mediation had been accepted by Chili for ulterior motives, or not in good faith as the offer itself deserved, will not fail to maintain that dignity which it has always upheld with honor amongst the nations of the earth.

What I most deplore is that by these events the proposed conference on the 5th instant seems to be delayed or suspended, if not entirely abandoned.

I have always been of the opinion that if representatives of the three nations could be brought together and in the presence of a friendly power could discuss their grievances, justice and reason would take the place of pride and force, and all difficulties might be arranged and peace established.

I think so still; I believe the first meeting to be the most difficult to be arranged, but also the most important step towards peace, and I cannot conceive why the late actions of a small detached hostile force, as disgraceful as the conduct may be, should prove a serious obstacle in the way of the proposed negotiations, and so be actually

the means of leading to further vandalism of that kind. A destruction of property—I have not heard of loss of life or other outrages—can be made good by a money consideration, and as in the proposed negotiations the subject of reclamations will undoubtedly have to be considered, in one way or another, this wanton destruction of property would only form one of the many grievances which the allies can justly bring against the Government of Chili.

Taking that view of the case, I had made my arrangements to leave for the coast via Arequipa this morning, but being informed last night that the plenipotentiary of Bolivia would not be prepared to go, it became necessary for me to change my plans; for of course any conference in which the Government of Bolivia is unrepresented cannot but be unproductive of results.

Deploring, as I do, this delay, I have still hopes that the proposed conference may take place, and I shall not fail to advise your excellency should I receive any further information from my colleagues at Lima and Santiago.

I have, &c.,

CHARLES ADAMS.

No. 33.

Mr. Adams to Mr. Evarts.

No. 34.] LEGATION OF THE UNITED STATES.

La Paz, October 7, 1880. (Received November 16.)

SIR: Referring to my dispatch No. 32, of the 4th instant, and especially to inclosure 3 thereof—my note to Señor Carrillo of the 2d instant—I have to advise you that I was honored yesterday by a visit on the part of Señor Carrillo, who called my attention to the word "protest" in the first part of my note, and begged to explain that his note of the 1st, to which mine of the 2d was a reply, was not intended to be a protest in that sense, inasmuch as the circumstances of the affair on the Peruvian coast might be liable to an explanation, and an official protest should be reserved to the last.

The minister also explained that the reason for not attending the conference at Arica, fixed for the 5th, on the part of Peru, was the excited feeling of the people in Lima, brought about by the acts of the Chilians near Chimbote, but that at the particular desire of Mr. Christiancy the question had been left open so as to arrange the conference for a future date, and that accordingly Bolivia, regretting the delay, had also been obliged to postpone sending its ambassador, but that it not only stood ready to do so at any time, but would use its influence with the cabinet at Lima to bring the matter to the desired issue without further delay; and Mr. Carrillo also regretted not having advised me of this before last Saturday, as by so doing that part of my note, in which I had implied a want of compliance with former arrangements, namely, the departure of Bolivia's ambassador on the 2d, might have been obviated.

After these explanations, and at Señor Carrillo's urgent request, I had no hesitation to modify my note by changing the word "protest" in the first part, and leaving out entirely in the latter part the paragraph relating to my expressed disappointment and expected departure on the 2d, all of which confirms my surmises that Señor Carrillo's note was intended more for the public eye at home than as an explanation for myself and my government.

The publication of this note has had, however, that effect, that the newspapers here in leading editorials have spoken favorably of the efforts of our government, commended the steps so far taken, and, while elaborating on the subject of "Monroe doctrine," are earnestly advocating

the policy of leaving forever afterwards all questions and grievances to the arbitration of its strong northern neighbor.

Should, with our help, peace be established, the bearing this will have on our future relations and our commerce can hardly be estimated. The resources and wealth of the country are immense, and it needs only a guiding hand in its politics, some American enterprise, capital, and immigration, to make it one of the richest and most prosperous countries in the world.

I have, &c.,

CHARLES ADAMS.

No. 34.

Mr. Adams to Mr. Evarts.

No. 35.] LEGATION OF THE UNITED STATES,
La Paz, October 8, 1880. (Received December 17.)

SIR: I have the honor to advise you that, having received late last night the inclosed telegram, and after a consultation with the Government of Bolivia, I shall leave my post, accompanied by plenipotentiaries from this republic, temporarily to-morrow morning, in order to attend the conferences between the belligerents in the interest of peace.

I have, &c.,

CHARLES ADAMS.

[Inclosure to No. 35.]

[Telegram—translation.]

(From Mollendo, 11.07 p. m.)

MR. CHARLES ADAMS,
Minister of the United States, La Paz:

We start to-day to Arica; come to Mollendo and go aboard the Peruvian steamer Chalaco, where you will meet the Peruvian ambassadors.

I. P. CHRISTIANCY.

OCTOBER 5, 1880.

No. 35.

Mr. Adams to Mr. Evarts.

No. 36.] LEGATION OF THE UNITED STATES TO BOLIVIA,
U. S. S. LACKAWANNA, BAY OF ARICA,
October 23, 1880. (Received December 6.)

SIR: I have the honor to report that yesterday, on the 22d, the first conference of the plenipotentiaries of the belligerent nations Chili, Peru, and Bolivia, took place on board this vessel, and that, jointly with Messrs. Osborn and Christiancy, I took part in the proceedings.

Inasmuch as we have concluded to act jointly and from that date submit a joint report of our actions, I propose to limit this dispatch to my personal movements and actions up to the same date from the day of leaving La Paz.

On the 7th instant, late in the evening, I received a dispatch from Mr. Christiancy, dated at Mollendo, the 5th, notifying me that the Peru-

vian ambassadors were then at that point, and asking me to come without delay.

Conferring with Mr. Carrillo, minister of foreign affairs, the next day, I was informed that his government had also received dispatches in the same tenor, and that it was prepared to send its plenipotentiaries at once, and we fixed upon the next morning as the time for our departure. Accordingly, on the 9th instant, I left La Paz with Messrs. Marino Baptista, president of the Bolivian Congress, and Señor Juan C. Carrillo, minister of foreign affairs, being the plenipotentiaries on the part of Bolivia, and Señor F. Avelino Aramayo, being their secretary.

A special steamboat across Lake Titicaca and extra train from Puno to Mollendo was placed at our disposal by the Peruvian authorities, and we reached Mollendo on the 12th, in the evening.

At our arrival at this port, I found that the United States steamer Lackawanna had arrived there from Arica on the same day, and I immediately went aboard to confer with Mr. Christiancy.

Then for the first time I was informed of the existing difficulty as to the place where the conferences were to be held. Mr. Osborn having fixed Arica, Chili had refused to go to any other place, and Peru as decidedly had refused to allow its representatives to go to that point, considering it humiliating to meet the Chilians in a Peruvian port occupied by the enemy, besides other reasons.

I learned that Mr. Christiancy had just returned from Arica bringing the positive information that Chili would not agree to a change, and that unless the Peruvians were prepared to go there he would leave the next day and all our efforts might be considered in vain and the negotiations broken off. The next day we went together on board the Peruvian vessel, and after a long conference it was manifested to us that the instructions from their government forbade the Peruvian ambassadors to comply with the demand of the Chilians to go to Arica, and Mr. Christiancy left the vessel, insisting upon his determination to leave that afternoon.

At that crisis, when all negotiations seemed to be at an end before they had really commenced, I suggested to the Peruvians that I thought some consideration was due to the Bolivians, who had come in good faith, and who, before being obliged to return *infecta re*, should at least be notified of the dispute, and their opinion be heard.

After this point was conceded, and the Bolivians had arrived on board, I did not hesitate to explain to the representatives of both countries that in my opinion, Mr. Osborn having fixed the place at Arica, in good faith, simply on account of its convenience and central location, and neither Peru nor Bolivia having objected to it at that time, and the official notes fixing it there having been widely published in Chili, and the opposition to the place having been made only at the last moment by the minister of foreign affairs at Lima, while its chief executive had, as appeared from an official interview with Mr. Christiancy, a short time before, not definitely objected, and Bolivia having no cause to object, as Arica was the only place spoken of between myself and its government, it seemed to me that should now the change of place be insisted upon by the Government of Peru, history would make that government responsible for the failure, and would consider the reasons therefor as emanating from extreme sentimentality, not justified at this hour.

Finally, it was agreed that one of the Bolivian plenipotentiaries, Señor Baptista, should accompany me to Arica, and that while he should try to obtain a change of place from the Chilians, the government at Lima should be advised of the state of affairs and the Bolivian position, in

order that in the extreme case of Mr. Baptista failing in his mission, a favorable reply might for these reasons still be expected.

Accordingly, early on the 14th the Lackawanna sailed, having aboard Messrs. Baptista and Aramayo. On the 15th Señor Baptista placed himself, after our arrival at Arica, in communication with the Chilian Government, but all his efforts in that regard being unsuccessful, he on the 17th sent a dispatch to Messrs. Arenas and García y García, at Mollendo, taking the responsibility to advise and request them on the part of Bolivia to comply, and without further delay come to Arica, in consequence of which, and an answer having meanwhile been received from President Piérola, allowing his plenipotentiaries to do so, if Bolivia should so desire, the Chalaco arrived at this port on the 20th, in the evening, and on the same evening I was officially notified by the Bolivians of their readiness to proceed to business.

Meanwhile, Mr. Osborn and the plenipotentiaries of Chili had also arrived, and both he and Mr. Christiancy were also notified, and in accordance with these notices we jointly fixed the time for the first meeting for the 22d at 12 m., on board the Lackawanna, at which time and place it actually took place.

Whatever the final result of these conferences may be, I feel justified in saying that by reason of the forbearance, moderation, and dignified position exhibited by the Bolivian plenipotentiaries as between the other two parties, both so stubborn in their resolution not to yield, the present state of affairs—that the conferences are held at all—has been attained, and if I did take an active part in advising the course as actually taken, I have done so from an ardent desire not to see the object of our mediation fail before it had fairly commenced, and I hope that such my action may meet your approval.

I have, &c.,

CHARLES ADAMS.

No. 36.

Mr. Adams to Mr. Evarts.

No. 36 A.] LEGATION OF THE UNITED STATES,
La Paz, Bolivia, November 6, 1880. (Received December 17.)

SIR: I have the honor to transmit herewith copies of correspondence had between the Bolivian plenipotentiaries, Mr. Christiancy, and myself, which belong to and are explanatory of my dispatch No. 36, dated from United States steamship Lackawanna, Bay of Arica, October 23, 1880. I have, therefore, marked this No. 36 A, and would request that it be added to and made a part of the above-mentioned dispatch on the files of the Department.

The correspondence explains itself and is arranged in its proper order.

I have, &c.,

CHARLES ADAMS.

[Inclosure 1 in No. 36 A.]

Mr. Adams to Mr. Christiancy.

ON BOARD THE CHALACO,
October 13—5 p. m.

DEAR SIR: The Peruvian ambassadors desire you to wait, if it is possible, until they can receive an answer from their government, which is momentarily expected.

Should you decide not to wait, one of the Bolivian ambassadors has accepted my

invitation to go aboard the Lackawanna at once with me and proceed to Arica with us (as Bolivia does not wish to see the negotiations fail), and will try to do what he can to bring the matter to an issue.

The inclosed memorandum is about their opinion, but, as said before, Mr. Baptista, the first ambassador, will go with us; Mr. Carrillo is too sick.

Send me word at once whether you will stay or not. If not, I will send a boat for Mr. Baptista to the shore and come without delay.

Yours, &c.,

ADAMS.

[Inclosure 2 in No. 36 A.—Translation.]

MEMORANDUM.

To Mr. ADAMS (who will kindly communicate this to Mr. Christiancy):

The diplomatic ministers of Bolivia, considering the incident which has just occurred in determining the point of their labor jointly with those of the Republics of Peru and Chili, present these brief considerations:

One of them, Mr. Carrillo, since coming on board is entirely incapacitated from any work by reason of his delicate health, a situation which will be aggravated if his stay on the sea be permanent. In Arica they would be placed in their diplomatic work under unfavorable conditions, as communication with their government would be very difficult. They thought these difficulties removed when they were given to understand on their departure from La Paz that the conference would take place at a point situated between Pacocha and Callao; they would be obviated, if Mollendo or any other place on the coast be neutralized, or if the Lackawanna would approach any other landing more convenient than Mollendo.

They simply present these considerations as likely to conciliate all inconveniences, not sufficient in any case, however, to obstruct the serious steps initiated to bind together the interests of the three nations.

On board the Chalaco, October 13, 1880.

[Inclosure 3 in No. 36 A.]

Mr. Christiancy to Mr. Adams.

ON BOARD THE LACKAWANNA,
Mollendo, October 13, 1880.

DEAR SIR: It is very important for us to be at Arica as soon as Mr. Osborn and the Chilian ministers arrive. We did wish to leave at once, but have concluded to wait until 3 o'clock a. m., by which time I hope the expected dispatch may arrive.

The plenipotentiaries of Peru and Bolivia, after the very full explanations I have given, must be aware that the government of Chili is disinclined to hold the preliminary conferences in any other port than that of Arica, while it is not disinclined to transfer the next meeting elsewhere, if the plenipotentiaries, in full council, so decide.

It being therefore evident that such preliminary conference should take place there, it remains simply for the representatives of Peru and Bolivia to say whether they will proceed to that port or decline to do so.

In the former case it will not be necessary for them to be in Arica before Monday evening next, which will give them ample time to receive the dispatch from Lima, now expected.

I have therefore decided to return to Arica at once, and shall await the arrival of the Chalaco with the envoys of Bolivia and Peru at that port until noon on Tuesday next, 19th instant.

Should they not arrive before that hour, I shall consider it as indicating their refusal to come to Arica and shall sail for Callao, calling at Mollendo at about 10 a. m. of Wednesday, the 20th instant, to convoy the Chalaco to Callao.

The Lackawanna will therefore leave at 3 o'clock a. m. to-morrow for Arica.

Captain Gillis will send a boat for yourself and Mr. Baptista at 8 o'clock, and will be most happy to see you both on board.

I remain, &c.,

I. P. CHRISTIANCY.

CHAS. ADAMS, Esq.,
On board the Steamer Chalaco, Mollendo.

[Inclosure 4 in No. 36 A.]

Mr. Adams to Mr. Aramayo.

ON BOARD CHALACO, *October* 13—7 p. m.

DEAR SIR: Please tell Mr. Baptista that I have received a note from Mr. Christiancy indicating the following points: First, that the Lackawanna will leave this port at three o'clock this night for Arica; second, that Mr. Christiancy and the captain of the ship will be glad to see Mr. Baptista on board, in which case this boat will bring him and yourself at once; and third, that the Chalaco will have time to make its appearance at Arica until next Tuesday, when, it failing to do so, all negotiations will be considered at an end.*

* * * * * * *

Expecting to see you and Mr. Baptista at once,
I am, &c.,

CHAS. ADAMS.

[Inclosure 5 in No. 36 A.—Translation.]

The Ministers Plenipotentiary to Mr. Adams.

LEGATION EXTRAORDINARY OF BOLIVIA,
ON BOARD STEAMER CHALACO,
Arica, October 20, 1880.

SIR: The undersigned, ministers plenipotentiary of Bolivia, have the honor to inform your excellency that, having arrived at this port, they are ready to attend the conferences to which the Governments of Bolivia, Peru, and Chili have been invited through the benevolent mediation of the most excellent Government of the United States of North America.

Your excellency will therefore have the kindness, in accord with their excellencies the ministers of the United States near the Governments of Peru and Chili, to name day and hour when the said conferences should begin.

With sentiments of the most distinguished consideration, the undersigned have the honor to subscribe themselves, &c.

JUAN C. CARRILLO,
MARIANO BAPTISTA.

[Inclosure 6 in No. 36.A.]

Mr. Adams to the Ministers Plenipotentiary.

ON BOARD UNITED STATES STEAMER LACKAWANNA,
Bay of Arica, October 21, 1880.

Señores PLENIPOTENTIARIES:

I have the honor to acknowledge the receipt of your excellencies' note of the 20th instant, informing me that, having arrived in this port, you are ready to attend the conferences to which the Governments of Bolivia, Peru, and Chili have been invited by my government, and requesting me in concert with my colleagues, the ministers of the United States accredited near the Governments of Peru and Chili, to name the day and hour when the said conferences should begin.

In reply I have the honor to inform your excellencies that I have been officially notified by my colleague, the minister of the United States near the Government of Peru, of the arrival here of the plenipotentiaries of that republic, Don Antonio Arenas and Don Aurelio García y García, and by my colleague, the minister of the United States near the Government of Chili, of the arrival of the Chilian plenipotentiaries, Don J. F. Vergara, Don Eusebio Lillo, and Don F. Altamirano, all of whom have signified their readiness to attend the proposed conferences.

In view of these facts my colleagues concur with me in inviting your excellencies and the plenipotentiaries of Peru and Chili to proceed, as soon as may be convenient, with said conferences, in the cabin of the "Lackawanna," and we respectfully suggest that the first meeting be held at twelve o'clock noon, to-morrow, the 22d instant.

Be pleased to accept, &c.,

CHAS. ADAMS.

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* The extract is made by Adams.

No. 37.

Mr. Adams to Mr. Evarts.

No. 39.] LEGATION OF THE UNITED STATES,
La Paz, November 6, 1880. (Received December 17.)

SIR: I have the honor to advise you that I have returned to my post after the failure of the peace conference at Arica. I do not think that either our government or its representatives have any cause to reproach themselves nor feel that the efforts made, although without apparent result, have been entirely misplaced.

A short dispatch of the abrupt termination of the conferences was signed by me jointly with Messrs. Osborn and Christiancy, and this, with a report of the proceedings and official protocols of the three conferences, will be transmitted to the Department by the latter, who is accompanied by our joint secretary, so that it is unnecessary for me to make a separate report; but some observations may not be perhaps out of place, especially as I am cognizant of some matters affecting the negotiations as between Chili and Bolivia, which were not brought forward in the conference, but nevertheless may be of interest to yourself in order to completely understand the situation.

The decided expressions of the plenipotentiaries not to modify their first bases, no doubt influenced by public opinion in their country, which was opposed to peace, and the causes of this feeling said to be mainly based upon an official note to Mr. Christiancy by the Government of Peru, will probably be fully explained and commented upon by Mr. Osborn; as will also Mr. Christiancy, without doubt, give his views upon the popular feeling in Peru, and how much the government of that republic through its plenipotentiaries was able to concede, and also upon the rather proudly, if not offensively, expressed refusal by Chili to accept arbitration as proposed by Peru and accepted by Bolivia.

The matters are as between Chili and Peru, and I wish to add to the history of the proceedings simply that the proposition made by Bolivia to surrender the coveted territory under failure to pay a large war indemnity in a fixed limit of time, which would have guaranteed its peaceful possession to Chili, as neither Peru nor Bolivia would have been able to pay it, seemed to me at least well worthy of respectful consideration; but inasmuch as the proceedings do not show that the government at Santiago had even been consulted thereon, and its plenipotentiaries in the conference had but little to say about it, it seems to me that that government was not very much in earnest in its desires for peace; that the conditions at first submitted were meant to preclude any probability of being accepted and that from the first our efforts might be considered inutile and in vain.

The main endeavors of the Chilians in private conferences with the Bolivians, communicated to me confidentially by the latter, were made to break up the alliance between Peru and Bolivia, and engage the latter republic in an alliance with themselves as the unavoidable result of such action. Great inducements were held out, a share in the conquests already and still to be made; but I am pleased to be able to say that such perfidy and disregard of national honor was not consummated; and if, on being consulted on that subject, I took a decided stand in declaring that such proceeding, no matter how beneficial it might be to Bolivia, would be considered by my government, and no doubt by the world, as one of the most infamous transactions in history, would reflect no credit on either nation, but lasting infamy on all persons connected therewith, and that I would be neither a party thereto nor even be considered offi-

cially cognizant thereof, I hope that I only expressed your own sentiments. The advances so made by one of the Chilian plenipotentiaries were rejected; and if by the unfortunately existing alliance with Peru Bolivia is deprived from making peace, which it so much needs and desires, it can at least hold up its head amongst nations and be able to say that it will bear misfortune rather than dishonor.

I have only to add my views upon one point as appearing in the second protocol,* when Mr. Osborn, in rather strong terms, it seemed to me, stated the Government of the United States would not care to accept the office of arbitrator on account of the labor and trouble involved. In my dispatch No. 26 D, inclosure 5, I had the honor to transmit a memorandum of a conference with Mr. Carrillo, which, considering arbitration a natural consequence of the offered mediation and upon its failure the only practicable road to peace, I had no hesitation in declaring that such arbitration would be accepted by my government if desired by all the belligerents. In that sense the mediation was accepted by Bolivia, and in that sense I wrote to Mr. Osborn (inclosure 6, No. 26), and having been informed by him that he had acquainted the Government of Chili of its import, and never having been by him advised that the construction I had placed upon the terms of mediation was wrong and ill-founded. I at least may be permitted to say that both the rejection of such arbitration by Chili and Mr. Osborn's speech thereon appear to me strange and inexplicable, especially as no instructions had been received by either of us on that subject.

I have, &c.,

CHARLES ADAMS.

No. 38.

Mr. Adams to Mr. Evarts.

No. 43.] LEGATION OF THE UNITED STATES,
La Paz, November 12, 1880. (Received December 27.)

SIR: I have the honor to submit herewith a brief report of the political situation in Bolivia, since my last dispatch upon that subject, No. 27, dated September 3 last.

During the absence of the ministers and myself at Arica, everything was very quiet, especially as it was generally believed that our mediation would certainly bring about peace, if not directly at least by arbitration.

In that sense the National Assembly of Bolivia after a session of five months adjourned *sine die* on October 24, without passing any direct laws looking towards an active prosecution of the war. It gave, however, full powers to the President as to the enrollment of troops, the raising of a foreign loan, in compliance with which a financial agent has already been sent to Europe, the purchase of arms and employment of other means for defense; it approved the Bravo concessions, in spite of Peru's protest, for the colonization of its eastern territories and building of highways, railroads, and canals from the east via the La Plata and Amazon Rivers, and it referred the acceptance of the Peru-Bolivia confederation to popular vote in the future; so that for the present that brilliant idea of Dictator Périola of Peru may be considered a failure; it passed an excellent mining law, and in general, being very conservative, may be considered to have worked for the interest of the country as best it could.

* Enclosed with Mr. Christiancy's No. 200, November 2, 1880. See Document 285.

The Government of Bolivia having declined to declare commercial interdiction with Tacna and Arica at the request of Peru, the prefect of the narrow strip of country still nominally occupied by Peruvians between the above places, and the borders of Bolivia, had imposed upon all goods passing through his jurisdiction a transit duty in itself forbidding all trade, and had actually seized goods then en route for nonpayment, which action had excited the public feeling here very much, and came near leading to a rupture, but the Peruvian minister at La Paz ordered the goods released and a compromise was effected, whereby an additional 5 per cent. duty is to be paid to Peru, so that with the duties to Chili, Peru, and Bolivia, about 65 per cent. ad valorem, and the enormous costs of transportation prices of even the necessaries of life and especially clothing have risen to extreme figures, while money retains its full value, exchange being almost at par.

When the failure of the conferences became known here, the President made a spirited address to the troops in public; but the people are very dejected, an invasion is feared, and especially the inhabitants of this city already see their property burned and destroyed, and themselves fleeing from the cruelty and brutality of the enemy, their only hope being still that in some way or other the United States will intervene in what is now considered by all the most cruel and barbarous war of devastation, vandalism, and conquest on the part of the enemy, and that no mercy need be expected.

Minister Carrillo informed me yesterday that he, with his colleagues of the cabinet, had resigned, being forced thereto on account of the failure of the mediation; that they having held out the hope of peace to the country, and being unsuccessful, must now leave the work to others, who propose a different policy, and that the change in the cabinet would take place as soon as their report of the matters connected with the mediation with the protocols of conferences at Arica is published and submitted to the country.

What the future will bring, it is impossible to say; a hope still remains that the Argentine Republic may take part in the war against Chili; but I have not much confidence in this, and the present allies, I believe, will have to fight to the bitter and scarcely doubtful end.

I have, &c.,

CHARLES ADAMS.

No. 39.

Mr. Adams to Mr. Evarts.

No. 46.] LEGATION OF THE UNITED STATES,
La Paz, November 17, 1880. (Received January 3, 1881.)

SIR: I have the honor to transmit herewith a copy of a note received from Señor Carrillo, and one of the printed pamphlets mentioned therein, containing the report of the Bolivian plenipotentiaries, the protocols* of the conferences and the acknowledgment of the government.

Inasmuch as a translation of the protocols will be furnished by Mr. Christiancy, I transmit herewith only that of the report itself.

I have, &c.,

CHARLES ADAMS.

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*For report of the proceedings of the conference, see document No. 285, *post.*

[Inclosure 1 in No. 46.—Translation.]

Mr. Carrillo to Mr. Adams.

MINISTRY OF FOREIGN RELATIONS,
La Paz, November 13, 1880.

SIR: Repeating the acknowledgments of my government for the benevolent offices and personal attitude of your excellency during the peace negotiations, I have the honor to transmit three copies of a pamphlet, in which these conferences have been published.

I improve the opportunity to again subscribe myself, with all consideration and respect, your excellency's, &c.,

J. C. CARRILLO.

To His Excellency the MINISTER RESIDENT
OF THE UNITED STATES OF NORTH AMERICA,
Present.

[Inclosure 2 in No. 46.—Translation.]

Report of the Bolivian plenipotentiaries.

PLENIPOTENTIARIES OF BOLIVIA ON SPECIAL MISSION,
La Paz, November 5, 1880.

To the MINISTER OF STATE AND FOREIGN RELATIONS:

SIR: We have the honor to transmit to the department with this report the autograph protocols of the peace conferences which have taken place in the waters of Arica and on board of the American corvette Lackawanna, between the plenipotentiaries of the three republics engaged in the present struggle of the Pacific.

In accord with the high and sincere sentiments of the national government, we have tried, with decided ardor, to arrive at an arrangement for peace compatible with the honor of the allied republics and the great interests of South America.

We understood that such result would not be probable if we did not accept to a certain extent the necessary effects produced by the advantages gained on the battlefield. This consideration induced us to calculate quietly the favorable results which the allies might obtain, as well as the sacrifices which they might have to make without loss of dignity, not vaguely invoked, but defined in the course of events.

At the first step of the negotiations the designation of the place for the conferences became a point of diplomatic consideration, and might have definitely made these impossible. To obviate this incident, we agreed that one of us should go to Arica on a particular mission, accompanied their excellencies the American ministers, Messrs. Christiancy and Adams, which was done with the consent of their excellencies the plenipotentiaries of Peru. There we were enabled to speak to the delegate from the most excellent Government of Chili, who transmitted to it our different conciliatory propositions, which were, however, peremptorily rejected. On our responsibility thereupon we chose that the negotiations should take place on board of the corvette Lackawanna in the waters of Arica. The estimable arguments of their excellencies the ministers of the United States in the same sense facilitated the final opening of the conferences.

In these we maintained the same spirit which animated us. In the first we expressed our hope that the most excellent negotiators might consider the subject in accordance with its responsibility and as Americans, putting aside the inspirations of interior politics and the popular clamor of the day, considering only the serious and permanent necessities of the three republics. Our confidence in the noble action of the United States was strengthened above all when we heard his excellency Mr. Osborn, as organ of his colleagues and appreciating exactly one point in our history, declare in these words, "That for the first time the institutions of our continent were on trial."

Notwithstanding that the propositions of Chili when presented were of such a character as to shut off all discussion, we endeavored to maintain it patiently within the limits of natural development.

Consequently we introduced for the sake of peace and the high interests of America what we thought a measure of conciliation, counting upon the approbation of our government. Its sense and deductions, as well as the substance of our observations, are contained in the proper protocol. We will only add that their excellencies the plenipotentiaries of Chili declared this measure inconvenient and opposed to their instructions.

We favored decidedly the arbitration proposed by their excellencies the ministers of Peru, and did not omit to show all the advantages held out by this means even to the Republic of Chili.

Nothing was sufficient to change the unalterable resolution maintained by their excellencies the plenipotentiaries of Chili in regard to the definite annexation of all the Bolivian coast, and that of Peru as far as Camorones, as a basis *sine qua non* of any arrangement.

With satisfaction we have to refer to the distinguished attitude of their excellencies the plenipotentiaries of Peru in discharging their delicate and difficult task, wherein they were assisted materially by their clear and practical reasoning.

We also express our acknowledgments of the personal efforts of their excellencies the ministers of the United States, and we are well aware of what we owe to those particularly employed by his excellency Mr. Charles Adams; but, considering the antecedents of the mediation and the high object manifested in the first conference, we cannot conceal our lively regrets that it was not possible for the most excellent mediators to assume a different diplomatic attitude from that which his excellency Mr. Osborn marked out, and which reduced itself to a polite invitation to meet and preside over our discussions, without giving their presence any other character than that of the most simple and initiatory good offices.

Our efforts to re-establish an honorable and secure peace between the three republics have been without result. Arbitration, the most dignified mode of settling disputes among civilized nations, has been rejected. America will decide on which side justice remains.

Begging you to bring this report, with the protocols attached, to the knowledge of the President of the Republic, we herewith tender our respects and subscribe ourselves.

Your very, &c.,

MARIANO BAPTISTA.
JUAN C. CARRILLO.

No. 40.

Mr. Adams to Mr. Evarts.

No. 49.] LEGATION OF THE UNITED STATES,
La Paz, December 3, 1880. (Received January 21, 1881.)

SIR: Since the publication in pamphlet of the protocols of the Arica conferences, one of which, with the report of the Bolivian plenipotentiaries, I had the honor to transmit in my dispatch No. 46, another document relating to the same subject has been issued by the department of foreign affairs, a copy of which is herewith inclosed, in which Mr. Carrillo recites all the steps taken by him in regard to the mediation, and finally closes by offering his resignation on account of its failure. The manifest, as it is called, is quite lengthy, and as all the points are well known to you from my former dispatches, and the annexed correspondence with the memoranda of official interviews have all been transmitted by me, a complete translation seems unnecessary.

Mr. Carrillo begins by saying that as soon as the mediation had been offered he had, full of hopes of a successful issue, communicated these to the National Congress, which had approved of the policy to be pursued; and now, inasmuch as it had failed, he felt himself obliged to show to the country the reasons whereupon his hopes and policy were based. He then gives in detail the history of our correspondence from its commencement of our two interviews, and lays particular stress upon the idea advanced by me that if the representatives of the three republics could not agree, it seemed to me advisable that the settlement should be left to arbitration; at any rate that the different plenipotentiaries ought to have full power to accept arbitration if mediation failed, especially as this had been offered, not as a compliment, but actually with a view to end the conflict. He then proceeds to give his correspondence with his minister in Lima; refers to the offered mediation of the European

powers, and states his reasons why the latter could not be accepted. He then briefly mentions that the expedition to and destruction of private property at Chimbote had nearly frustrated all hopes of the conferences taking place, but that finally, all obstacles being removed, the actual meeting seemed to hold out a hope of a successful issue.

Passing to the conference, he describes the failure of the mediation to the determined and not-to-be-modified proposition of Chili to annex the Bolivian and Peruvian coast provinces by right of conquest simply, and leaves it to America and the world to judge whether this demand of Chili and the acknowledgment of being conquered by Peru and Bolivia would be consistent with the honor of the latter and with American interests at large.

He then calls attention to the curious history of this mediation, which was first accepted by Chili in August last, then even its existence denied by its cabinet, then again officially accepted on October 7, although my correspondence, as well as the fact that the day for the conference was fixed by Mr. Christiancy and Mr. Osborn for the 5th of October, borne out by the further fact that the Chilian admiral actually permitted the Peruvian vessel with the plenipotentiaries on board to leave Callao on the 1st of the same month, would demonstrate that the second acceptance was an act hardly in accordance with the honor of an American nation. Then, speaking of the attitude of the American ministers and the course pursued by us, he continues:

> The spirit of conciliation consistent with the good offices of a mediating power has never entered into the designs of Chili. Arbitration proposed with full acknowledgment of the advantages gained in the war was hotly rejected. All discussion, all agreement was impossible. The mediation, the diplomatic action of the allied governments, and the universal wish for the return of peace, I repeat, were doomed by the determined attitude of the representatives of Chili.
>
> In such extreme emergency what action would have been most consistent with the dignity of the most excellent ministers of the United States and the high prestige of its government?
>
> With perfect right and in accordance with the first step in the mediation they might have proposed acceptable bases, or they might have approved the propositions of the plenipotentiaries of the allies, if they considered these just and proper. They might have advised, and even honored with their decided approval, the acceptance of arbitration, which, considered in the Bolivian ministry as the essential basis of mediation and frankly authorized by the representative of the United States was the only possible solution since the beginning of the negotiations. This, and much more, and on a greater scale, corresponded with the fervent and noble desires with which the most excellent government of the United States proposed to aid in the restoration of peace.
>
> But this important step, which might have been taken by the representatives of the United States, preceded those haughty and determined declarations as well as the protest that under no considerations would these be changed; and they, convinced also that the sentiment of Chili was for war at any price, preferred to reserve their diplomatic action in order to avoid a sure rejection of their proposition and the grave consequences which might have followed such action. Without instructions towards such extreme eventuality they were obliged to limit their action to bringing the unexpected and unsuccessful conclusion of the offered mediation to the knowledge of their government. So by this step, prudent as well as of great foresight, they have preserved the prestige of the government of the Great Republic and the respect due its policy of conciliation.

Mr. Carrillo then gives it as his opinion that the Government of Chili at first was prepared to offer moderate conditions, but that under the influence of public clamor it had abandoned the path of justice, and thereby, perhaps, endangered its political future, and he concludes by offering, as stated above, his resignation because the policy advocated by him before the Congress and the country had failed.

It may not be out of place, nor uninteresting to add, that so far this resignation has not been accepted, nor is it likely to be, as the press and people, as far as heard from, are united in declaring the action of Señor

Carrillo to have been upright and statesmanlike, and President Campero last night informed me that, unless public sentiment in the interior should be different, Mr. Carrillo would certainly remain at the head of affairs.

At the same time I was also informed that Mr. Baptista, the other plenipotentiary at Arica, and Mr. Aramayo, the secretary, had been appointed minister and secretary of legation at Buenos Ayres, so that it seems that instead of being considered a failure, the Bolivian diplomats engaged in the negotiations are rewarded, their action and position are fully approved, and the result is considered an advantage, because it is hoped by some that the so openly exposed policy of conquest on the part of Chili, coupled with the rejection of arbitration, may induce our government to intervene; while, on the other hand, there is no doubt that it will compel the Government of the Argentine Republic, which also has its frontier disputes with Chili, to demand guarantees for its own security, in which case it is expected here, that war between those two powers will be unavoidable.

I have, &c.,

CHARLES ADAMS.

[The inclosure is a lengthy pamphlet in the Spanish language, the translation of which would cause delay in the transmission of the papers to Congress. It will be translated if required.]

No. 41.

Mr. Evarts to Mr. Adams.

No. 24.] DEPARTMENT OF STATE,
Washington, December 14, 1880.

SIR: You dispatch No. 36, of the 24th of October last, written while on board of the United States ship Lackawanna, Bay of Arica, has been received. It narrates the personal movements of yourself and the Bolivian plenipotentiaries to join the conference, under the mediation of the United States, between the belligerent powers.

Your action, as reported therein, is approved by the Department.

While upon the subject of the mediation between the plenipotentiaries of Bolivia, Chili, and Peru, I have to inform you that Mr. Christiancy has, in his dispatch No. 200, of the 2d ultimo, inclosed the protocols of the conferences of such representatives, held at Arica from the 22d to the 27th of October last.

Although this government would have been glad to have received intelligence that its efforts in the direction of securing peace between the belligerent powers had been efficacious to that desirable end, and although it cannot cease to entertain the most serious regret that such efforts have met with so little apparent success thus far, the Government of the United States still stands ready to render its assistance to that end in every proper way.

I am, &c.,

WM. M. EVARTS.

No. 42.

Mr. Adams to Mr. Evarts.

No. 52.] LEGATION OF THE UNITED STATES,
La Paz, December 16, 1880. (Received February 5, 1881.)

SIR: I have the honor to transmit herewith a diplomatic circular addressed to the governments of South America by the minister of foreign relations of Bolivia, and which, in connection with his manifest, a copy of which has heretofore been transmitted, is intended to fully demonstrate the position of Bolivia in the present war, the unjust demands and cruel mode of warfare on the part of Chili, and seems to have in view an active intervention of the other South American States as against the encroachments on the part of Chili.

Much of what is contained in this circular is a repetition of former declarations, especially as to the policy of Chili, now openly acknowledged to be one of conquest, and which Mr. Carrillo thinks, if accepted in silence and without protest by the other governments of South America, would, after what has happened at Arica, place these in a position of virtually acknowledging it to be proper and right.

The principal reasons for invoking the intervention of the other States against Chili are its policy of conquest, contrary to American ideas, traditions, and interests; the cruel mode of prosecuting the war by destruction of private property and undefended towns; and, principally, the rejection of the proposed arbitration.

If the first should be accepted as the future policy of America, Mr. Carrillo explains, all the different republics would be obliged to keep large standing armies, which heretofore had never been necessary, and constant wars might be apprehended.

Chili had never pretended to claim any part of the territory now demanded as the price of peace; while even when the small Republic of Paraguay, after a long war, and completely at the mercy of its enemies—the powerful Empire of Brazil and the Argentine Confederation—it was especially declared that the victory did not give them title to disputed territory, but the decision on that point was left to the President of the United States as arbiter; and in accordance with it the Argentine Republic returned to Paraguay territory to which it had claimed and believed to have rights, and Brazil kept only such as it fully was entitled to.

The coast district of Bolivia, small as it is, had given it an outlet to the Pacific Ocean, and its possession was never questioned until natural deposits of salitre and guano were discovered, and should it now be taken, its only outlet would be gone, and thereby its very existence and certainly the equilibrium of South America be threatened.

Passing to the second consideration, the various acts of devastation in the present war are enumerated and compared to the policy of England during our own war of 1812–'14, when Admiral Cochrane destroyed our undefended towns on the Atlantic and even the public buildings of our capital, for which action he had not only been denounced in his own country, but all over the civilized world, and which like action, in addition to what already has been done, is now threatened against Lima, the old and historical city of the Pacific, destruction of which has been authorized by Chili.

The third consideration, the rejection of arbitration by Chili, is especially commented upon, because a month before the conference at Arica

it had entered into a treaty with the Republic of Colombia on the following terms:

Desiring to affirm the sentiments of international friendship which should be the foundation of peace and fraternity in America, they have with this object in view resolved to make a treaty and have signed the following articles:

First: The two republics are forever obliged to submit to arbitration all controversies and difficulties of whatever nature may come up between both nations.

Second: In case of failure to agree, the President of the United States of America is fully authorized as arbiter to carry out his functions as such.

Third: Colombia and Chili shall try at the first opportunity to hold like conventions with the other American nations, so that the solution of all international conflicts by means of arbitration be a principle of American public right.

A month after this had been signed, the very principle was disowned, one entirely contrary to its protestations proposed, and the very power which so solemnly had been designated as arbiter by Chili itself as solemnly rejected.

Mr. Carrillo in summing up, refers also to the other conditions imposed upon the allies, which virtually deprive them of their sovereignty, as it prohibits them from entering into future treaties, besides declaring null and void a former one, and forbids Peru even to fortify its own ports in the future; thereby assuming such domination as no nation could submit to, if not totally conquered. Mr. Carrillo therefore believes that the governments of the other republics, convinced of Chili's bad faith, barbarous acts, and intentions, its false position, lust of conquest and domination, will in their wisdom take such steps as will stop these ambitions, preserve the traditions of America, and define such a policy for the future, which, in accord with the division of Spanish-America, and the definition of the limits of the different republics as agreed upon in 1810, will forever avoid further complications and conflicts; to which end he advises that an American congress should meet, deliberate upon all questions at issue, and establish such guarantees as will keep intact these limits, and in that way procure a lasting peace. On account of a severe illness, from which I still suffer, and having no assistance whatever, I have not been able to make a translation of the circular, but trust that the above summary may answer the purpose.

I have, &c.,

CHARLES ADAMS.

[The circular is very long, and as the minister has given the substance in the dispatch it is not transmitted.]

No. 43.

Mr. Adams to Mr. Evarts.

No. 56.] LEGATION OF THE UNITED STATES,
La Paz, January 9, 1881. (Received February 15.)

SIR: I have the honor to transmit herewith a second diplomatic circular,* addressed by Mr. Carrillo to the other American governments, relating to the present war with Chili, and which is especially intended as an answer to and in refutation of the position assumed by the minister of foreign affairs of Chili, as expressed in his diplomatic circular

* This second diplomatic circular of Bolivia, dated December 20, 1880, is long and in the Spanish language. A translation will be furnished if deemed desirable.

of November 10, 1880, a copy of which no doubt has reached the Department.

The charges contained in the latter circular as against Bolivia, "that she has failed to comply with the provisions of former treaties, that she had rejected arbitration, and that she had entered into the 1873 treaty with Peru with hostile intent towards Chili," are *seriatim* considered in this paper, and the whole question is carried back to the outbreak of the war and the causes leading to it, which, from a Bolivian standpoint, are shown to be for a long time entertained and premeditated by Chili in order to conquer and utilize the rich coast districts belonging to Bolivia.

I have, &c.,

CHARLES ADAMS.

No. 44.

Mr. Adams to Mr. Evarts.

[Extract.)

No. 57.] LEGATION OF THE UNITED STATES,
La Paz, January 17, 1881. (Received March 2.)

SIR: I have the honor to report that on the 15th instant the Carrillo cabinet, whose probable dissolution after the failure of the Arica conferences was foreshadowed, went quietly out of office, and a new cabinet was announced, which consists of Dr. Nuñez del Prado, minister of government and public instruction; Señor Villazon, for treasury (retained); Dr. Aguirro for war, and Dr. Jiménez for foreign affairs and public worship. The latter, at present prefect of the province of Cochabamba, has as yet not arrived at La Paz, so that Dr. Nuñez del Prado is charged with the business of the foreign department for the time being.

This cabinet may be considered representing the extreme war party, as Dr. Aguirro will be the soul of it, who, as a member of the late Congress was daily and hourly advocating fresh measures for resistance and aggression, and has ever been opposed to President Campero's policy of inaction and expectancy.

While Chilian cannon are thundering at the very doors of Lima, and all Bolivia is trembling for its fate and praying for its deliverance, this change of cabinet takes place, and with it a ray of hope comes from the south, from the government of the Argentine Republic, which at last has granted free transit for Bolivian arms and ammunition, and should the anticipated capture of Lima be delayed, Chili may find in a short time a Bolivian army in its rear occupying Tacna, Arica, and Iquique, which might force it to abandon its plans regarding Lima, and to fight again for the possession of Atacama and Tarapaca, which provinces it has already fondly considered its own by right of possession and conquest. I am also informed by the Peruvian minister that the government at Buenos Ayres has decisively declared its intention to oppose any annexation of territory in South America, and its press and public opinion have lately assumed such bitter hostility towards Chili, that even before you receive this the latter may have considered it wiser to abandon its proud and haughty position.

This city, although rumors of revolution are frequently circulating, remains quiet; the other day a plot of mutiny was discovered amongst

the soldiers, and a sergeant promptly shot, and the editor of La Patria, who advocated peace with Chili at the expense of Peru, might have shared the same fate if he had not been granted asylum in the Brazilian legation, but had to leave the republic within twenty-four hours, which measures seem to have established General Campero only the firmer in his seat, so that I do not expect any serious attempts against him, unless events now taking place near Lima should deprive Dictator Piérola of power, and in sympathy should also affect Bolivia. * * *

I have, &c.,

CHARLES ADAMS.

No. 45.

Mr. Nuñez del Prado to Mr. Evarts.

[Translation.]

MINISTRY OF FOREIGN RELATIONS OF BOLIVIA,
La Paz, February 1, 1881. (Received May 10.)

SIR: This ministry has the honor to inform your excellency's government of Bolivia's unshaken determination to defend her rights and to repel the doctrines of absorption and conquest which are sustained by Chili.

This attitude, which is the only one that my government considers compatible with the dignity and lawful privileges of an American nation, is in accordance with the conviction which it entertains, that the vast proportions which the war on the Pacific is daily assuming affect not only the territorial integrity of the allied nations, but even their future autonomy, and the permanent interests of America in a serious manner.

In order to defend this idea, Bolivia has sacrificed her bravest sons, and is anxiously waiting for every American country to protest against the acts of that nation which has originated this sanguinary conflict.

Meanwhile the allied forces, whose arms have been attended with very ill success during the course of the struggle, have just met with another reverse near Lima.

The loss of that maritime city, and the total destruction of the allied fleet, oblige the government of the undersigned once more solemnly to declare to the friendly nations of this continent that it is resolved unflinchingly to persevere in the defense of its autonomic integrity and in that of American interests.

The occupation of Lima, far from shaking the determination of this republic, has stimulated its patriotism, and it is now prepared to continue the struggle with Chili at any sacrifice.

This resolution is strengthened by the remembrance of an act which will be condemned by all America. The war, which was inaugurated by the forcible occupation of the maritime districts of Bolivia, is not a dispute concerning a right that is more or less doubtful among the belligerent powers; it is one for the settlement of serious and highly important questions. Chili, confiding in the strength of her navy, hoists the standard of conquest and of territorial annexation. Bolivia and Peru reject these doctrines and offer their blood and treasure in behalf of the triumph of the principle of right.

There is, then, an immense chasm between the objects aimed at by the two contending parties; and peace with Chili, which is at the present

moment impossible, cannot be restored save by the absolute triumph of the one and the utter overthrow of the other.

The justice of the cause which Bolivia is defending is in itself a powerful stimulus to maintain the contest, and the cheering conviction which she entertains, viz, that in sacrificing herself in her own defense she is sacrificing herself for the great interests of America, increases her warlike enthusiasm, and adds fuel to the flame of her patriotism.

My government feels persuaded that by resolutely accepting this situation it furnishes evidence of its good faith towards its ally and of its devotion to the principles which it professes.

If the final result shall be unfavorable to her, Bolivia will have the glory of having sacrificed herself in defense of her rights in preference to accepting the galling yoke of the conqueror.

Such, most excellent sir, are the declarations which my government desires to make to friendly nations, inasmuch as they are watching with increasing interest the prolonged struggle on the Pacific coast, and as for the continuance of that struggle it relies upon the favorable opinion of your excellency's enlightened government.

This occasion affords to the undersigned minister of foreign relations of Bolivia the high honor of offering your excellency the assurances of the esteem and respect with which he subscribes himself,

Your excellency's obedient servant,

DANIEL NUÑEZ DEL PRADO.

To his Excellency the MINISTER OF FOREIGN RELATIONS
of the United States of North America, Washington.

No. 46.

Mr. Adams to Mr. Evarts.

[Extract.]

No. 59.] LEGATION OF THE UNITED STATES,
La Paz, February 3, 1881. (Received April 26.)

SIR: Referring to my dispatch No. 57, of the 17th ultimo, I have the honor to report that Dr. Nuñez del Prado, of whose appointment as minister of foreign affairs *ad interim* I had advised you, has now entered upon the duties of that office in the full character. * * *

The news of the defeat of Dictator Pierola, of Peru, before Lima, and the capture of that city, at first discredited but within the last days fully confirmed, has so demoralized all classes and parties that opinions as to the probable consequences here are as yet simply speculative, and must remain so until the course of Peru in its defeat, and that of victorious Chili, develops itself.

The foreigners here not represented by ministers, or consuls even, are in the greatest terror since it has become known that Lima would have been pillaged and plundered only for the energetic action of the diplomatic corps, backed by a powerful fleet; and they fear that, if a Chilian force should approach La Paz and the government be compelled to abandon the city, not only the soldiers of the enemy but also the lower classes of the population here might commit excesses, directed of course mainly against the property and persons of foreigners.

Should this eventuality occur, I hope to be able to save life and prop-

erty in exerting myself to bring about a peaceful occupation of the city by the enemy, and in organizing an armed city guard of the foreign residents, in imitation of the course taken at Lima.

Allow me to add that I still remain without mail of any kind from the United States.

I have, &c.,

CHARLES ADAMS.

No. 47.

Mr. Adams to Mr. Evarts.

No. 60.] LEGATION OF THE UNITED STATES,
La Paz, February 15, 1881. (Received April 26.)

SIR: I have the honor to transmit herewith a copy of a diplomatic circular from the Bolivian minister of foreign affairs, issued under date of February 1, with translation, in which the position of Bolivia is defined as influenced by the late defeat before Lima.

I do not think it necessary to add any opinion of mine regarding this circular and the very strong views of the Bolivian Government therein expressed, as it quite corresponds with what I have foreshadowed in former dispatches; I may, however, say that although Bolivia is apparently exhausted and looked upon by Chili as an enemy not worth troubling herself about, it may carry on for an indefinite period a guerrilla warfare, which will be a continuous menace to Chili, and well calculated to threaten its peaceful possession of the conquered territory, necessitating the support of a large standing army, while at the same time it will no doubt turn Bolivia's commerce towards the Atlantic, via the La Plata or Amazon River. At any rate, I consider Bolivia stronger to-day than Peru, as it has more means of resistance and a more united people, and has suffered less in the actual war.

The original document, addressed to the minister of Bolivia at Washington, I beg to inclose for transmittal to its address, as requested in the accompanying note of the Hon. Dr. Nuñez del Prado, and have the honor to be, &c.,

CHARLES ADAMS.

[Inclosure 1 in No. 60.—Translation.]

Mr. Prado to Mr. Adams

MINISTRY OF FOREIGN RELATIONS OF BOLIVIA,
La Paz, February 1, 1881.

SIR: I have the honor to transmit to your excellency the original and a legalized copy of a diplomatic circular which this office directs to that of the United States, and in which, by occasion of the new defeat which the allied armies have suffered, it again expresses the unalterable intention of Bolivia to defend its rights and repel the ideas of conquest entertained by Chili.

Meanwhile I beg of your excellency to please have it reach its high destination, and accept the sentiments of my most perfect consideration.

DANIEL N. DEL PRADO.

[Inclosure 2 in No. 60.—Translation.]

Mr. Nuñez del Prado to Mr. Evarts.

MINISTRY OF FOREIGN RELATIONS OF BOLIVIA,
La Paz, February 1, 1881.

SIR: This department has had the honor to declare on more than one occasion to the most excellent government of your excellency the unalterable intention of Bolivia to defend its rights and to repel the ideas of absorption and conquest entertained by Chili.

This position, which my government believes to be the only one compatible with the national dignity and American institutions, is borne out by the conviction that the immoderate proportions which the war of the Pacific from day to day assumes do not only affect the territorial integrity of the allied nations, but also the future self-government of the same and in a grave manner the permanent interests of America.

In defense of that idea Bolivia has sacrificed its most illustrious sons, and hopes anxiously that each of the South American sections may hear its voice of protest against the country which has brought about such bloody struggle.

In the mean while the allied armies, whose fortune has been adverse for so long, have just suffered in the course of the conflict a new check in the neighborhood of Lima.

The loss of the last seaport of the alliance and the total disappearance of its squadron places the government of the undersigned in the position to declare solemnly again before the sister nations of the continent its determined and persevering resolution, which it assumes in defense of its integrity, autonomy, and American principles.

The occupation of Lima, far from weakening the firm intentions of this republic, has strongly wounded its patriotism, and to-day it finds itself resolved to sustain the struggle with Chili to any sacrifice.

This unconquerable resolution is strengthened by the bitter remembrance of a fact which will be condemned by the judgment of America. The war, begun with the forcible usurpation of the coast province of Bolivia, does not mean a controversy between the belligerent nations about a right more or less in doubt; it is a combat over questions of serious importance perfectly antagonistic and at variance; Chili, supported by its naval power, raises the standard of conquest and of territorial annexation; Bolivia and Peru reject these doctrines, and offer towards the triumph of principles of modern rights its blood and its treasures.

There is therefore an abyss between the propositions of both adversaries, and peace with Chili, impossible for the present, can only be brought about by the absolute superiority of the one and complete ruin of the other.

The justice of the cause which Bolivia defends is alone a powerful encouragement and the consoling conviction that besides sacrificing itself to the great interests of America, fires its martial enthusiasm and gives new vigor to its patriotism.

My government is persuaded that in accepting resolutely this situation it gives proofs of its loyalty to its ally and the cause of principles. If the final result should be adverse, there will remain for Bolivia the glory of having sacrificed itself for principles and rights before accepting the offensive yoke of conquest.

These are, most excellent sir, the declarations which my government has the honor to bring to the notice of the friendly nations who look with growing interest upon the prolonged struggle of the Pacific, and to sustain which it relies upon the favorable opinion of your excellency's most illustrious government.

This occasion affords the undersigned, minister of foreign affairs of Bolivia, the high honor to offer to your excellency the pledges of esteem and respect with which he subscribes himself,

Your obedient servant,

DANIEL NUÑEZ DEL PRADO.

No. 48.

Mr. Ladislas Cabrera to Mr. Evarts.

[Translation.]

LEGATION OF BOLIVIA IN THE UNITED STATES,
Washington, February 18, 1881. (Received February 19.)

SIR: In reference to the subject which I had the honor to broach to your excellency, in the name of my government, on the 3d instant—the

conference which you were pleased to accord to me, at my request, having then remained pending—I take pleasure in laying before your excellency's government the latest intelligence that I have received from the Pacific touching the war subsequently to the occupation of Lima by the Chilian army.

According to this intelligence the government of Peru had retired to the departments of the south. Mr. Pierola, the President, having declared that the seat of government is where the Executive is, Mr. Auelio Garcia y Garcia had been appointed secretary-general.

The Government of Peru, on taking its departure for the department of Arequipa, was firmly purposed to continue the war to the utmost extremity. This information is contained in a telegram which has been received by Mr. Ramon I. Garcia, chargé d'affaires of Peru near your excellency's government.

General Baquedano, moreover, who is in command of the Chilian forces which have occupied Lima, had addressed an official communication to the municipal government of the capital of Peru, apprising it of the necessity of forming a board composed of the principal citizens, that it might designate a provisional government with which an armistice might be concluded or some other arrangement made. The municipal government had replied that, inasmuch as President Pierola's government was still existing and had received its powers from the nation, no municipal government or board of principal citizens could arrogate to itself the right to appoint another government.

General Barquedano had likewise addressed a communication to the supreme court of Peru, requesting it to re-enter upon the discharge of its functions, but the court had replied declining to do so.

As to Bolivia, it is known that her army was to march against Tacna under the command of General Campero, the President of the Republic, and in concert with a portion of the army of Arequipa, on the 15th of last month.

It was also known that she had received a supply of arms, and expected to receive more, through a reliable channel.

All this shows that the occupation of Lima has not ended the war, and that, so far from this being the case, the Governments of Peru and Bolivia will continue it with greater activity than ever.

Nevertheless, some solution must be sought that will put an end to the present state of things, and I firmly believe that, an earnest desire existing to secure an honorable peace, and one that will meet all present questions of the belligerent nations, as well as those of the future, some combination acceptable to all parties is not impossible.

To this effect I beg leave to offer the plan contained in the documents numbered 1 and 2, and herewith inclosed, to the consideration of your excellency's government.

This plan, if carried out, would, in my judgment, meet all the difficulties that have given rise to the war, they being simply the wealth of Peru and Bolivia.

It would systemize the working and management of that wealth in the interest of universal commerce; in the interest of the markets which purchase guano and saltpetre; in the interest of the owners of the territory containing these valuable substances, and in the interest of modern civilization, which loves peace and detests war.

In a political point of view it would prescribe the right of conquest; and as regards the stability of the South American nations, it would firmly establish the *uti possidetis* principle, which is the foundation of their nationality and independence.

Moreover, with regard to the manner in which the guano and saltpetre deposits of Peru and Bolivia have hitherto been worked by European capital, long years of experience have shown that there is need of a new element, capable of giving renewed vigor and a different form to the industry and commerce of those republics.

With the most respectful and cordial sentiments, I am, &c.,

LADISLAS CABRERA.

To His Excellency the SECRETARY OF STATE.

[Document No. 1.]

PLAN.

1st. The organization of a company in the United States is suggested, for the purpose of working the guano and nitrate deposits of Peru and Bolivia, the company to consist of powerful capitalists, and the effective capital and organization to meet the approval of the Governments of Chili, Peru, and Bolivia.

2d. The three governments to turn over to the company, for the period of ——— years, the entire and exclusive control and administration of the districts claimed by Chili by right of conquest, as well as any guano deposits not so claimed, and to guarantee their pacific occupation by the company.

3d. The United States Government to guarantee that the company shall remain in peaceable and undisturbed possession and administration of the districts to be designated in the contract.

4th. From the proceeds of the working of the guano and nitrate deposits—the company to retain such amounts as may be indicated in the contract, and to apply the remainder in such proportions as Chili, Peru, and Bolivia may arrange by treaty.

First. To the war indemnity which may be agreed upon.

Second. To the payment of nitrate certificates.

Third. To the existing foreign loans of Peru.

Fourth. To the Peruvian Government.

Fifth. To the Bolivian Government.

5th. The company is to establish its own agencies in the various markets of the world, conduct and manage all sales of the guano and nitrate, and manipulate both products within limits to be agreed upon; but the entire operations of the company shall be subject to periodical report and inspection.

6th. The contract company to have authority to capitalize, in the form of a public loan, the war indemnity and the nitrate certificates; and if it be found convenient by the company, the Peruvian loans of 1870 and 1872 may be included in a single consolidated issue; the rate of interest, sinking fund, issue-price, commission, &c., to be agreed upon in consultation with the three governments.

Should a loan be negotiated, Chili to be paid the full war indemnity at once, and to release all claim and charges upon the guano and nitrate deposits and districts of both Peru and Bolivia held by the company, but not to retire her obligation guaranteeing the pacific occupation by the company of the districts confided to its administration.

WASHINGTON, D. C., *February* 18, 1881.

[Document No. 2.]

FINANCIAL STATEMENT.

	Tons.
Annual guano product of Peru	350,000
Annual nitrate product of Peru	275,000
Annual nitrate product of Bolivia	60,000

	£ s. d.
Total cost of the guano delivered to the buyers in Europe, per ton	4 10 0
Lowest selling price	12 10 0
Cost of nitrate delivered in Europe to the buyers, per ton	9 0 0
Average selling price of nitrate for ten years, per ton	14 14 0
From the above data we have on guano a profit of per ton	7 10 0

Or on 350,000 per annum	£2,625,000
Profits per ton on nitrate £5 14*s.* 0*d.*, or on 335,000 tons per annum	1,909,500
Total annual income	4,534,500
Deduct 7½ per cent. for profits of the contract company and contingencies on gross product of £4,200,000 of guano and £4,924,500 of nitrate.	684,337
We have net annual income	3,850,163

DEBTS.

Chilian war indemnity, say	£6,000,000
Nitrate certificates	4,000,000
	10,000,000

Suppose the issue of a loan to pay off the war indemnity and the nitrate certificates, say, including discounts and commissions, £11,000,000. Five per cent. interest and 1 per cent. sinking fund would require as annual service £660,000. The total net income above calculated is £3,850,163. Deduct annual service of loan above estimated, £660,000. Remainder, £3,190,163, applicable to the Peruvian loans of 1870 and 1872 and to the Governments of Peru and Bolivia.

WASHINGTON, D. C., *February* 18, 1881.

No. 49.

Mr. Adams to Mr. Evarts.

No. 61.] LEGATION OF THE UNITED STATES,
La Paz, February 24, 1881. (Received April 26.)

SIR: I have the honor to transmit herewith the correspondence which has taken place between some Spanish subjects residing in La Paz and myself, upon the question of a war-tax levied upon the people of Bolivia by the late Congress and now about to be enforced.

You will perceive that I have refused to accommodate these gentlemen, for aside from the consideration that the request for my official interference should have come from the Spanish Government directly, or its minister at Lima, I consider the tax referred to not one of an extraordinary character as implied by the treaty mentioned in the petition, as it was decreed by a Congress and imposed upon all inhabitants of the Republic in proportion to their property.

A question of this kind upon application of American citizens residing in Mexico was at the time decided by the then minister, Mr. Corwin, in the same spirit, and his action was approved by the Department, so that although my reply to this—a test petition, which was to have been followed by others—has obviated all further resistance on the part of other foreigners. I feel that in advising Americans, even, to pay, I have acted properly and in accordance with international comity.

I have, &c.,

CHARLES ADAMS.

[Inclosure 1 in No. 61.—Translation.]

LA PAZ, *February* 11, 1881.

To his Excellency General CHARLES ADAMS,
Minister Resident of the United States of America, present:

Mr. MINISTER: We, the undersigned, Spanish subjects resident in this city, see ourselves obliged to trouble your excellency and to request your assistance towards a petition, which we are compelled to direct to the supreme government of this republic,

which petition, praying for an exemption from the extraordinary contribution now actually demanded from Bolivian citizens, is attached to this note.

We request your protection, most excellent sir, on account of the known absence of a diplomatic representative of His Majesty the King of Spain to a simple consular agent in all the territory of the Republic, in which case the international practice of civilized nations authorizes us to have recourse to the representative of a nation friendly to our own, who cannot refuse to assist us if he is convinced of the justice of the reclamation.

In the present case your excellency will perceive that our request cannot be more just, and the minister of the United States, a nation so friendly to Spain, cannot do less than accede to our demand.

Your excellency will, therefore, be kind enough to present our petition to the supreme government near which you are worthily accredited, and to duly favor the same, being assured that by so doing you will not only earn our gratitude, but also, as may be imagined, that of the Government of his Catholic Majesty.

With this motive we have the high honor to subscribe ourselves your excellency's obedient and respectful servants,

MIGUEL SARAIZABEL.
JAIME DAVIN.
EDUARDO Q. MALDONALDO.
ANJEL BAJINETA.
CELSO COMELLAS.
DOMINGO DE ITURDE.
JUAN FORRENS.
JUAN RUDON.
LIZANDRO RUDON.
MIGUEL SOL.
JUAN CORES.
JOSÉ HERRERA.

[Inclosure 2 in No. 61.—Translation.]

Mr. PRESIDENT OF THE REPUBLIC: Asking a declaration of exemption of what they mention, founded on the international laws they quote:

The undersigned, Spanish subjects resident in this city, through the organ of the minister for foreign affairs, and by the mediation of the minister resident of the United States of America, not having a diplomatic or consular agent of their own nation, most respectfully submit to your consideration:

That the supreme Government of Bolivia, making use of its legitimate authority, has ordered the carrying out of a law of the late national convention, by which an extraordinary forced war contribution was ordered to be levied, assessed equitably and proportionately.

That for this purpose and in this department of La Paz, in which we are residents, a commission of most honorable and competent persons has been appointed to assign to each citizen the quota he has to pay according to the judgment of said commission.

That in the distribution of the said forced war contribution and its assessment, not only the inhabitants of this city, without distinction or exemption whatever, have been included, but also the foreigners; as the said honorable commission has not weighed the powerful and imprescriptible exemptions established as a general rule in favor of foreigners by international law, and fixed especially in our behalf by solemn international treaties in full force to-day between Bolivia and Spain.

On this account we are obliged to address ourselves to the justification of the government of the republic, asking a declaration of exemption from all extraordinay war loans or taxes, on account of our being Spanish subjects, protected not only by international law, but by the formal engagements of this nation towards ours.

The legal reasons on which we base our claim are obvious, and fearing to offend the recognized knowledge and integrity of the government of the republic, we will briefly and summarily mention just only in order to bring them to mind.

By the treaty made between this republic and His Majesty the King of Spain, at Paris, on the 29th of August, 1879, ratified and exchanged in the same city on January 19, 1880, and promulgated as a law of the republic in this city of La Paz on the 30th of August last (third article), are re-established in full force the stipulations of the treaty made between the said nations on February 12, 1861. The eleventh article of said treaty says literally: "Neither Bolivians in Spain, nor Spaniards in Bolivia, are obliged to serve in the army, navy or militia, and they are exempt from all extraordinary impost tax or loan, and in the ordinary taxes which they pay on account of their industry, commerce or landed property, they must be treated just as the citizens or subjects of the most favored nation." One cannot find a more clear, peremptory, and

reciprocal exemption in favor of the citizens of both states, living in each other's territory, and which involves their exemption from all forced or extraordinary taxes (of war) in strict compliance with the doctrines of international law.

And even if this positive law referred to did not exist—a law that, like all international treaty law, is supreme and modifies even the constitution of the state—it is enough to legitimate our claim by stating that the practical jurisprudence of all civilized nations and the doctrine established by all the authorities on the subject are all in our favor.

There is no need to quote Vattel, Pradier, Forderé, Fioré, Jenner, Block, Bello, and so many other eminent writers, who unanimously sustain this doctrine; but we will refer to all the treaties of amity and commerce in force to-day between different nations, all of which establish the doctrines of exemption with rigorous uniformity.

To insist on this would be tiresome and superfluous. We are sure that the government has had no doubt about it, and that, taking duly into account our petition, the government will modify the proceedings of the assessing commission, and that it will proclaim a doctrine which is a law of the nation and attested by a sacred agreement, by declaring that the subjects of His Majesty the King of Spain are not obliged to pay now, and are not subject to any other tax of the kind, either of blood, money, or otherwise.

We expect our petition will be duly and justly appreciated, and granted as it is founded on justice.

La Paz, 11th February, 1881.

MIGUEL GARAZAIBAO.
JAIME DAVIN.
MIGUEL SOL EDUARDO Q. MALDONALDO.
CELSO COMELLAS.
ANJEL BAJINETA.
DOMINGO DE ITURBE.
JUAN FORRENS.
JUAN KERDON.
LIZANDRO RUDON.
JOSÉ HERRERA.
JUAN COSES.

[Inclosure 3 in No. 61.]

LEGATION OF THE UNITED STATES,
Cotaña, February 18, 1881.

Messrs. SARAZABAL, DEVIN, MALDONALDO, and others, subjects of Spain in La Paz, Bolivia.:

GENTLEMEN: I have the honor to acknowledge the receipt of your communication of the 11th instant, in which you ask me to transmit to the Government of Bolivia, in an official manner, a document signed by the Spanish subjects of La Paz, praying for an exemption from the forced loan lately decreed, and in which you ask my help and protection, basing your request upon the fact that Spain has no representative of its own near the Government of Bolivia, and that you feel yourselves authorized by common international usage to call upon me as the representative of a friendly nation.

In reply to your polite and dignified letter, I am sorry to be obliged to inform you that I cannot comply with your request, inasmuch, by the established usage of nations, and in compliance with the rules made for the ministers of the United States by its government, it is required that the request for diplomatic protection of subjects of another country by any minister of the United States should come from the government of such country, and should be acknowledged by the government where both reside.

In cases where the life, liberty, or property of a foreign subject or citizen, not represented, has been in danger either from local persecution or foreign invasion, it has been customary for such foreigner to claim the help and protection of the representative of a friendly nation, and without a previous request from his own government and the usual formalities it has been accorded freely and fully, especially by ministers of the United States, at different times and occasions, but this case, involving as it does no act of persecution or injustice even, but simply the rights and duties of foreigners under established treaty stipulations, into a discussion of which I am not prepared to enter, offers no reason for my official interference, especially as I cannot deny that a sovereign nation has the right, even in time of war, to levy extraordinary taxes, not upon the person, but the property and business of its inhabitants, and as long as no distinction is made in the assessment of this tax, called strangely, for what reason I know not, a forced loan (*empresitio forzoso*), although legally authorized by a constitu-

tutional Congress of the republic, I do not feel warranted in throwing obstacles in the way of the government, and did and shall advise my own countrymen to pay the said tax.

I have the honor, in returning to you, gentlemen, the document referred, to assure you of my highest respect and consideration, and to subscribe myself,

Your very obedient servant,

CHARLES ADAMS.

No. 50.

Mr. Cabrera to Mr. Blaine.

[Translation.]

LEGATION OF BOLIVIA IN THE UNITED STATES,
Washington, May 9, 1881. (Received May 9.)

MOST EXCELLENT SIR: In the month of February last I had the honor to have a verbal conference with Mr. Evarts, then Secretary of State, with regard to the urgent necessity of putting an end to the long and disastrous war between Peru, Bolivia, and Chili.

For the purpose of reaching some practical result, I proposed, after some preliminaries, the bases of a peace contained in my note of February 18th and the two inclosures therewith transmitted.

His Excellency Mr. Evarts, although he considered the plan submitted to his consideration as possessing a high degree of importance, had not time to give it the necessary attention, owing to the change in the administration of the United States Government, as he had the kindness to state in his note of March 5.

I duly reported what had been done to the Governments of Bolivia and Peru, calling their attention at the same time to the necessity of proposing those bases of a peace to Chili as their ultimatum.

Since that date the character of the war has not changed much, notwithstanding the occupation of Lima by the victorious forces of Chili. In the south and north of Peru resistance is still continued, and in Bolivia public spirit has been invigorated by the news of the occupation of Lima, all of which renders it probable that the war will be interminable.

This view is confirmed by a telegram which was published by the New York Herald in its issue of the 6th, in which it was stated that the King of Holland had authorized his representative to tender his (the King's) good offices, in conjunction with France, England, and Italy, to the three belligerent nations for the restoration of peace.

I cannot believe, under these circumstances, that your excellency's government, which during the course of this war has manifested so deep an interest in the restoration of peace among the nations of South America, will permit foreign powers to claim the merit of having restored peace, while the plan which I had the honor to propose is still pending before it. In presenting that plan my object was manifold, viz, to bring about an honorable peace; to strengthen and develop the wonderful productive power of North America by opening new and profitable markets to its commercial activity; to secure to your excellency's government that influence in South America which rightfully belongs to it by reason of its proximity, its civilization, and the similarity of its institutions; and, finally, to satisfy the pecuniary demands of Chili, the conqueror of Lima.

In order to secure such great benefits to humanity, to whom war must

ever be repugnant; to bring two continents of the new world into immediate contact by closely uniting them in the bonds of industry and commerce; and, finally, to secure even the rights of the conqueror (although they are improperly so called), what is it that the plan proposed by me asks of your excellency's government?

Nothing but the fulfillment of an obligation, which is to be common to all the governments, viz, to guarantee that capital invested by citizens of the United States in the management and working of the guano and nitre deposits of Peru and Bolivia shall not be disturbed in its industrial application.

I take the liberty to submit these passing reflections to your excellency, that they may receive attention when you may see fit to consider my plan, and to secure a new title to glory to your government by restoring peace in South America, and by opening up new sources of wealth to North American labor and activity.

I purposely avoid presenting any further considerations, but I feel sure that the foregoing will not be disregarded by your excellency.

With sentiments of true respect and high esteem, I am your excellency's obedient servant,

LADISLAS CABRERA.

No. 51.

Mr. Adams to Mr. Blaine.

No. 75.] LEGATION OF THE UNITED STATES,
La Paz, June 8, 1881. (Received July 18.)

SIR: Regarding the political situation of Bolivia, I have the honor to report that everything remains *in statu quo*. The Congress of the country has been called to meet in extra session on the 13th of this month, but it is simply expected to approve the measures of the government since its adjournment last November. President Campero seems to be established firmer in his seat than ever, and his policy of quietly strengthening the army, drilling and equipping it, and of getting the national guard ready for active service, if necessary, seems to meet the approval of the country, based as this policy is upon the expressed will of the people to resist any invasion Chili might contemplate.

Meanwhile, the visit of President Piérola to La Paz has strengthened the alliance between Peru and Bolivia, and I do not believe that one will make peace without the co-operation and approval of the other. Nobody here so far acknowledges the government of García Calderon at Lima while it is upheld by Chilian bayonets. While an invasion from Chili in the near future is entirely improbable, as Chilian soldiers could never endure an Andean winter, and so no immediate fighting is expected, it is still hoped here that our government may be pleased to put an end to the war, and in the interest of commerce, humanity, republican institutions, and American traditions and ideas may compel Chili, if necessary, to grant to Peru and Bolivia honorable terms of peace, instead of holding both countries by the throat, so to speak, by demanding continuous contributions and excluding them from all commerce on the sea.

Inasmuch as under these circumstances my presence here can be spared, and unless next mail brings me orders to the contrary, I shall

leave here on the 15th instant en route to the United States, and I may expect to reach New York on the steamer following the one which brings this dispatch, and shall report in person at Washington immediately after my arrival.

I have, &c.,

CHARLES ADAMS.

No. 52.

Mr. Blaine to Mr. Nuñez del Prado.

DEPARTMENT OF STATE,
Washington, June 14, 1881.

SIR: I have the honor to acknowledge the receipt of your excellency's note of February 1 last, setting forth the reasons which animate and control the Government of Bolivia in resisting to the last extremity the encroachments of the Chilian Government.

The people of this country have watched, not without the deepest interest, the continued struggle between the three nations on the Pacific, whose institutions and forms of government are allied to their own, in the sincere hope that the differences of whatever nature which engendered the present conflict might be amicably and satisfactorily adjusted, and the perpetuity and prosperity of those republics guaranteed.

Still cherishing this confident hope, I bid you accept, sir, in the name of the Government and people of the United States the assurances of my highest consideration.

JAMES G. BLAINE.

No. 53.

Mr. Adams to Mr. Blaine.

NEW YORK, *November* 8, 1881.
(Received Nov. 15.)

MY DEAR MR. SECRETARY: I fear that it will be almost impossible for me to have another interview with you in relation to South American and Bolivia affairs, as to-morrow will be my last day before I sail, and you are occupied with so many important affairs, but before I go I would ask you if only in a brief memorandum to outline for me a course of action which I would think you and the government would approve.

I can assure you that Bolivia perhaps to-day is a stronger factor in the war with Chili than Peru, and that it only awaits my return and what word I bring with me from you as to the intentions of this government towards the belligerents to shape its actions for the future.

You are aware that the last Congress of Bolivia resolved to ignore any government in Peru until it was firmly established and recognized, and I suppose that any instructions I may receive and bring to President Campero will influence him and the government as to what course he will pursue; at any rate, whatever your policy may be, will, I am sure, be almost considered a command, for, in accordance with the Monroe doctrine, Bolivia will not call in the assistance of any other nation as long

as it may be assured of the sympathy of ours and the rejection on your part of the lust of conquest so clearly shown by Chili.

On that point I should desire some instructions, and I would ask to be allowed to take them with me, not only for Bolivia's sake but for my own, so that I may be prepared to act with discretion and decision in case of emergency.

Hoping that you will not let me depart without this, and if possible to grant me another interview,

I have, &c.,

CHARLES ADAMS.

2.—CHILI.

No. 54.

Mr. Osborn to Mr. Evarts.

No 83.] LEGATION OF THE UNITED STATES,
Santiago, Chili, February 20, 1879. (Received March 26.)

SIR: Chili is involved in another dispute concerning her boundaries. It is with Bolivia now, and concerns the territory on the Pacific coast lying between the 23d and 25th degrees of latitude. Prior to 1866, jurisdiction over this territory was claimed by both of these governments, but on December 9 of that year they promulgated a treaty which had for its purpose a settlementof the disputé. In substance, the treaty provided that the 24th degree should constitute the line of division, but that all guano deposits within the territory prior thereto in dispute, as also all duties which might be derived from the exportation of minerals therefrom should be equally divided between the two countries. It soon became evident, however, that the treaty had failed to accomplish the purpose for which it was intended, and on the 6th of August, 1874, they celebrated another.

In this the 24th degree was reasserted as the line of division, and each government relinquished its right, within the jurisdiction of the other, to duties arising from exportation of minerals. They agreed, also, that within the hitherto disputed territory neither government should, for the term of twenty-five years, impose upon the exportation of minerals a higher duty than was then provided for, and that neither government should, within said territory, tax the citizens, industries, or capital of the other, of whatever character, in excess of that then fixed by law.

The country referred to as the disputed territory is in the heart of what is known as the desert of Atacama, and was regarded, until about the time of the execution of the first treaty, except for the deposit of guano at Majillones, its northern boundary, as of little or no value. The discovery of vast nitrate deposits about that time, however, in that

part of the territory set apart to Bolivia by the treaty soon brought it into prominent notice, and companies were organized for the purpose of developing that industry. The business seems to have been monopolized by a corporation known as "El Compañia de Salitres y Ferrocarril de Antofagasta," a company composed mainly of gentlemen of means, citizens of Chili. It is claimed in behalf of the company that it had full authority from the Bolivian Government for the prosecution of its business, and that it relied upon the good faith of Bolivia in making its investments. It is claimed that its investments now exceed $4,000,000. It has constructed a railroad 40 miles into the interior, running through the nitrate deposits, and Antofagasta, the shipping point for the nitrate, and the location of the principal works, has developed into a city of nearly 10,000 people.

In February of last year the Bolivian Congress enacted a law exacting a tax of ten cents a quintal on all exportations of nitrate, and from this has arisen the present difficulty with Chili. The Chilian Government promptly protested against the execution of this law, claiming that it was in direct conflict with the guarantees of the treaty of 1874. The law was allowed to remain dormant for several months, but no action was taken looking to its revocation.

A short time since, however, the Bolivian authorities notified the company at Antofagasta that the law was to be executed, and that the amount which was due from it on account of shipments made since the passage of the law was something in excess of $90,000. The Chilian Government protested anew, and caused Bolivia to be informed that if she insisted upon executing the law Chili would regard the treaty as abrogated, and would proceed to assert her right of dominion to the territory claimed by her prior to 1866. Notwithstanding this threat the works at Antofagasta were levied upon and notice was given that they would be sold; whereupon, on the 12th instant, the Chilian minister at La Paz was instructed by telegraph to demand his passport, and forces were immediately forwarded by water with instructions to take possession of the territory on the coast as far north as the 23d degree of latitude. On the 14th the Chilian forces occupied Antofagasta without firing a gun, and the disputed territory is all now held by Chilian troops.

The course of the government here meets with a hearty approval from all classes. The movement was an exceedingly popular one. It is doubtful, indeed, if the administration could have taken another course and sustained itself. There is much anxiety concerning the course which Peru is likely to take. That her people strongly sympathize with Bolivia in this affair is undoubtedly true, and it is feared by some that the government may be driven into an alliance with Bolivia. I think the fear is well grounded.

The Chili Government is endeavoring to prepare itself for any emergency. The naval force has all been sent to the north and troops are being forwarded as rapidly as possible.

It is understood that Congress will be convened in extraordinary session about the 10th of March.

I forward you by this mail a copy of a pamphlet entitled the "New question of Chile with Bolivia," which was sent to me from the foreign office. Also a copy of the "Diario Official," which contains a sort of manifesto from the government under the head of "El Conflicto con Bolivia."

I have, &c.,

THOMAS A. OSBORN.

No. 55.

Mr. Osborn to Mr. Evarts.

No. 86.] LEGATION OF THE UNITED STATES,
Santiago, Chili, April 3, 1879. (Received May 8.)

SIR: Following the events related in my dispatch No. 83 came the proclamation of the President of Bolivia, on the 1st of March, declaring war against Chili, and providing for the confiscation of the property of Chilians. Upon the receipt of this proclamation here, the Chilian land forces were ordered to advance upon Calama, and the naval force was directed to occupy Cobija and Tocopilla. The two latter places are the only Bolivian ports north of the 23d degree, and the former is a town of about five hundred people, in the valley of the Loa, some hundred miles from Antofagasta, and is supposed to have some strategic importance.

The two ports were taken possession of without trouble, but the secretary of war, who was in the vicinity, reports that at Calama the Chili troops were seriously resisted.

A number were killed on both sides, but the Chilians triumphed, and the Bolivians who were not killed were taken prisoners. I judge, however, that there were not more than five hundred men engaged, all told. This is the only engagement of which advices have been received here.

Peru is giving the government and people here much more concern just now than is Bolivia.

Soon after the taking of Antofagasta the Government of Peru sent here an ambassador extraordinary, Señor Lavalle, with instructions to tender the good offices of his government in the settlement of the dispute with Bolivia, and to urge, earnestly, an amicable arrangement. Señor Lavalle was kindly received by the government, but among the people there has been an almost universal expression of displeasure at his coming. From day to day the newspapers have been filled with reports from the north tending to show that Peru is preparing herself for a struggle with her rival, and charges have been freely made that the ambassador was sent here merely for delay, to enable his government to prepare itself for the contest. This idea has taken a strong hold upon the public mind, whether there be foundation for it or not.

I was invited to an interview with the minister of foreign relations, and attended for that purpose at his official quarters, on the 29th ultimo. Among other things he informed me that Chili was not satisfied with the attitude of Peru, and that Mr. Godoy, their minister at Lima, under instructions from his government, had demanded an answer from the Peruvian Government as to its purpose in the dispute between Chili and Bolivia. The answer was not, he said, satisfactory. In it was embodied an acknowledgment that there had existed for several years a secret alliance between Peru and Bolivia, the effect of which would be to force Peru into the conflict against Chili.

I told Mr. Fierro, the foreign minister, that I was sure that my government would be exceedingly sorry to hear of a war between these countries, and I urged him to neglect no opportunity to settle the dispute amicably. In response to a suggestion from him, I remarked that I did not doubt that the United States Government would cheerfully lend its efforts to an amicable arrangement of the difficulties if the governments engaged in the controversy should request it to do so, but that I trusted that they would be able to arrange it among themselves.

From the manner of the minister rather than the matter of his con-

versation, I discovered that he felt much interested in the response, and it would not surprise me to learn that an effort was being made to induce these countries to join in a request to the United States to assist them in the settlement of their dispute.

However his language concerning the reply of Peru to Mr. Godoy led me to believe that war was almost certain to follow.

I had informed the minister some time previous of my intention to avail myself at a convenient time of the privilege granted me by my government to visit the United States, and he now expressed a very earnest wish, in behalf of his government, that pending these difficulties I should remain in Chili. He seemed satisfied with my answer.

Minister Lavalle is still in Santiago, and it is barely possible that Peru may yet remain out of the conflict. I don't regard it as probable, however.

Neither of the countries is prepared for war, and where the money is to come from is more than I can tell. The probable condition of their credit at its close does not present so difficult a problem.

The navies of Peru and Chili are about equal in point of strength, and there cannot be much difference in their land forces. The Chilian army, the minister informs me, consists of nine thousand men, with a reserve force, called national guards, of fifteen thousand more. The national guards are, I judge, not unlike our State militia.

The minister informed me that the Chilian legation in Washington was about to be supplied with a minister, and that that post would be filled by Don F. L. Asta-Buruaga. Mr. Asta-Buruaga formerly represented Chili at Washington in the same capacity. He has a high regard for our country, and I look upon his selection as a fit one. He will probably leave for the United States next week.

I enclose some slips cut from an English paper containing an article translated from the "Diario Official" of Santiago, upon the "Desert of Atacama and its resources." The article will repay perusal.*

I have, &c.,

THOMAS A. OSBORN.

No. 56.

Mr. Osborn to Mr. Evarts.

No. 88.] LEGATION OF THE UNITED STATES,
Santiago, Chili, April 4, 1879. (Received May 8.)

SIR: I have but just time before the closing of the mail to say that the friendly relations between Chili and Peru have been broken off. The Peruvian special envoy received his passports last night, and soon after left on a special train for his home. To-day it is officially announced that the amity and friendship heretofore existing between these countries is at an end. The Official Gazette promises to-morrow a "Memorandum" of the causes which have brought about this unfortunate result. Suffice it to say that the grievance of Chili is the alleged secret alliance between Peru and Bolivia, and the apparant preparation making by Peru for war.

Congress has conferred upon the President extraordinary powers. He is authorized to increase the army without limit.

I have, &c.,

THOMAS A. OSBORN.

* The inclosure is long and will be found printed in Foreign Relations, 1879, p. 162.

No. 57.

Mr. Osborn to Mr. Evarts.

No. 89.] LEGATION OF THE UNITED STATES,
Santiago, Chili, April 10, 1879. (Received May 16.)

SIR: As will be seen from the inclosed translation of a note received by me from the minister of foreign relations, war was formally declared against Peru on the 5th instant, and on the same day the port of Iquique was placed in blockade by the Chilian squadron.

The government promises a statement of the reasons for its action, for the information of friendly governments, in a few days. Awaiting it, I inclose a slip from a newspaper containing the "memorandum," published in the "Official Gazette" simultaneously with the declaration of war.

The army is being rapidly increased, and there is apparently no abatement in the enthusiasm.

Iquique is the great niter depot of Peru, and is situated about midway in the province of Tarapacá, from north to south. This province extends to the Bolivian frontier on the north, and is supposed to contain almost inexhaustible wealth in its niter and guano deposits. If Chili succeeds in getting possession of Tarapacá, she will, I judge, insist upon holding it. An intelligent gentlemen with whom I have conversed upon the subject, and who formerly lived in Tarapacá, estimates the value of its niter deposits alone at four hundred millions of dollars.

I have, &c.,

THOMAS A. OSBORN.

[Inclosure in No. 89.—Translation.]

Mr. Fierro to Mr. Osborn.

REPUBLIC OF CHILI, MINISTRY OF FOREIGN RELATIONS,
Santiago, April 9, 1879.

SEÑOR: I have the honor to inform you, pursuant to special orders received from his excellency the President of the Republic, that on the 5th instant war was declared against the Government of Peru.

The reasons which obliged my government to take that hard but necessary resolution will be in a short time communicated to you.

At the same time it becomes my duty to announce to you that on the date above indicated the maritime forces of Chili placed in blockade the port of Iquique.

In requesting that you will please place these facts within the knowledge of your government, it affords me pleasure to offer to you the assurances of high consideration with which,

I am, &c.,

ALEJANDRO FIERRO.

No. 58.

Mr. Osborn to Mr. Evarts.

No. 92.] LEGATION OF THE UNITED STATES,
Santiago, Chili, April 19, 1879. (Received May 27.)

SIR: By this mail I have the honor to forward a copy of the manifesto of the Chilian Government, addressed to friendly nations, in justification of the declaration of war against Peru, in Spanish, as also a copy of the Chilian Times, containing a translation of the same in English.

I have, &c.,

THOMAS A. OSBORN.

[Inclosure in dispatch No. 92.]

MANIFESTO OF THE CHILIAN GOVERNMENT TO THE REPRESENTATIVES OF FRIENDLY POWERS, WITH REFERENCE TO THE DECLARATION OF WAR AGAINST PERU.

[Translated from the Diario Oficial.]

MINISTRY OF FOREIGN AFFAIRS,
Santiago, April 12, 1879.

Mr. MINISTER: Annexed to the present note you will find a copy of the official gazette of Chili, from which you will learn the authority conferred on my government by the high authorities of the state to declare war against Peru, and conduct it to an end by all the means recognized by the rights of nations, and with all the resources at the disposal of the country.

By order of his excellency the President of the republic, I fulfill the duty of informing you of the grave causes that have led to the formation of this unavoidable though lamentable resolution, which breaks old ties that Chili has always endeavored to strengthen.

The government, in whose name I have the honor of speaking, flatters itself with the hope that the calm judgment of that represented by your excellency will duly appreciate the conduct that Chili has observed in this emergency—as foreign to her character and tradition as contrary to her dearest interests.

The especial characteristic of this country, the constant tendency of its foreign policy, and even its social and economic necessities, have withdrawn it from all spirit of adventure, and have stimulated it to maintain the most friendly relations with all nations. Chili lives by peace and industry; requires as a prime element of its prosperity, foreign immigration; and possessing a vast territory only partially fertilized by the rude labor of its sons, requires more than any people foreign and internal tranquillity.

The latter has been obtained, thanks to the frank adoption of a system by which all the public powers emanate from the national vote; and clearly is it proved, by the history of many years, that it has always endeavored to avoid conflict with foreign nations. The republic can show with legitimate pride that it has never been sparing of its blood or resources whenever it has been embarked in a noble cause, and much less when to it have been united the interests of this continent; but it can also declare with no less satisfaction that, though always ready to defend outraged rights, it has systematically avoided all provocation, even under circumstances that would have authorized it. Only a few months ago it has given a new proof of the traditional character of its policy, by submitting to the honorable solution of arbitration an old and vexed question it sustained against a neighboring power, although it had to yield to the uncertainty of a sentence, rights to which the national sentiment attached great importance. From this it will be easy for your excellency to deduce that Chili, in forgetting its historic conduct and the necessities of its situation, has done so only by the irresistible force of evident justice and in obedience to the clearest demands on its dignity.

My government very recently complied with its duty in manifesting to those with whom it has the pleasure to maintain cordial relations, the circumstances which obliged it to declare at an end the treaty existing with Bolivia, and to occupy the territory lying between parallels 23 and 24 S. lat.

Subsequently, and without previous declaration of war, the President of Bolivia issued a decree emanating from his single will, by which he expelled Chilian citizens from that state, confiscated their property, and sequestrated the products of the industry and capital of this country.

It is unnecessary to recapitulate the bonds uniting the two nations, confirmed by solemn treaties, never respected by our neighbors; unnecessary to repeat that since 1866 till the occupation of Antofagasta on February 14 of this year, my government, by a series of concessions more or less valuable, had arrived at the last sacrifice in order to maintain peace.

If Chili has been forced into war, it is not through its own act, but is the unavoidable consequence of the extraordinary conduct observed by the government of La Paz. This, on one hand, declined to fulfill the treaty of 1874, in virtue of which, and by whose sole title, it occupied conditionally the territory whose possession was transferred by the treaty mentioned. On the other it refused the honorable resource of arbitration, pretending to constitute itself absolute judge of the interpretation and practical application of the rights and duties established by the mutual sanction of both nations.

From whatever point of view the severest impartiality may consider the irregular proceedings of the Bolivian authorities, we feel convinced that the friendly powers whose opinion we so much esteem will recognize, in homage to the strictest justice, that the situation imposed on Chili by a will not its own, indicated one sole course as possible in protection of its decorum.

My government nevertheless, in spite of antecedents that perhaps should have indicated a different course, wished to limit itself to pointing out the natural consequences of the rupture of the treaty of 1874. If it be undeniable that before the treaty of 1866 the territory comprised between parallels 23 and 24 belonged to Chili by right and by the constant exercise of veritable possession; if it be true that it was ceded to Bolivia by the treaty of 1874 on the emphatic condition that no new taxes should be levied on Chilian industry and capital; and if, in fine, it is the melancholy truth, proved by public documents of the Bolivian Government, that it, turning a deaf ear to all remonstrance, ceased in truth to impose taxation, but rendered illusory the right of property recognized by its own laws—it was necessary on the part of Chili to replace things in the state in which they stood before the extraordinary violation of the treaty mentioned.

This violent act of Bolivia was necessarily followed by the occupation of the consideration ceded, on the ground of nonfulfillment of the conditions. This sufficiently explains the landing of our troops at Antofagasta, so that in attributing to this the character of a belligerent act, the antecedents of the conflict are deliberately disregarded. In order to avoid the occupation, Bolivia possessed the means open to the commonest honesty—viz, promising to respect the treaty of 1874. This would have been the course of a civilized nation, for no reasoning, no protest, can defend the unjust sentence Bolivia claimed to give in the question; to retain the territory it owed to the liberality of Chili, and at the same time to break the fundamental condition of the concession.

It is painful, but at the same time indispensable, to bring to the memory of friendly powers another evident reason that my government could have wished not to reveal, out of respect to a state of the same origin. Official documents, and still more, the private history of Chilian industry on the coast between 23° and 24° S. lat., are witnesses that cannot be refuted to the fact that since 1866 to the date of the occupation of Antofagasta, the Bolivian Government appears to have conceived, organized, and put in practice an inflexible system of persecution against the development of Chilian enterprises which have been the only origin and the principal element of the wealth of that locality, never suspected and never stimulated by the private industry or national protection of Bolivia.

The capital of this republic, and that developed under the protection of our laws without distinction of nationality, being embarked in costly speculations, my government could not view with indifference the adoption by Bolivia of special measures tending to place Chilians in an exceptional situation. Soon after the treaty of 1866, and then after that of 1874, the painful certainty was realized that in Bolivia no idea existed of individual guarantees. Taxes were imposed under the pretext of municipal rates; disgraceful punishments were inflicted by the authorities on citizens of this republic: and finally, a Chilian enterprise for the working of nitrate beds, authorized by the Bolivian Government, afforded a pretext for a law irreconcilable with the most essential stipulation of the treaty of 1874.

My government could not and ought not abandon its citizens to the caprice of that of Bolivia, and less to the discretion of its subalterns; and the official documents inserted in the reports of the ministry of foreign affairs since 1866 render unnecessary any additional proof that since then till now it has been impossible to restrain the action of the Bolivian authorities.

These precedents showed sufficiently that the occupation of Antofagasta was urgently required, through the violation of the treaty; and my government found itself under the necessity of ordering it, for the protection of interests and persons threatened by measures which respected no rights whatever.

The occupation effected on February 14 could not be considered as a declaration of war, and still less as a threat on the part of my government against the sovereignty of Bolivia. Nor was it reasonable to suppose that the cabinet of Santiago intended to modify the geographical limits of the neighboring nations. In this conflict, which never would have arisen if even a show of respect had been evinced for the spirit and letter of treaties, what this republic has aimed at from the beginning, with the greatest frankness, was to defend its national rights and protect private property. Before 1866 we possessed effectively up to the parallel 23. By the treaty of that year we accepted the exploitation in common up to parallel 25; and subsequently we fixed the limits of Chili at 24°, on condition of the neighboring republic leaving our industry free from any new exaction.

The situation of the two republics seemed to be clear enough. Chili renounced its effective possession up to lat. 23° S.; Bolivia ceded its fantastic pretentions up to lat. 24°; and both countries, respecting the fact that Antofagasta, Mejillones, Caracoles, and Salinas were of Chilian creation, agreed to guarantee the freedom of the industries established in those regions. This undoubtedly imported an immense sacrifice to Chili, considering that she not only ceded to Bolivia a territory in dispute, but also a large area over which her title could not have been questioned for a moment.

The antecedents of the treaty of 1866, and the negotiations which resulted in that

of 1874 are the most evident proofs that Chili, far from desiring the extension of its limits recognized under the colonial *régime*, only sought an arrangement that permitted the untrammeled exercise of Chilian industry, notwithstanding the appropriation by Bolivia of the territory that we possessed.

It is unnecessary to dwell upon the right of a sovereign state to claim from another with which it contracted the fulfillment of its stipulations, and the no less indisputable faculty to employ the means of enforcement which the law of nations has placed in use. Although the proceeding of my government was open to no objection, considering that the conflict with Bolivia in no way affected Peru, we wished to give the latter a proof of our friendship by informing it fully of whatever transpired, calling previously its attention to the necessary results of a groundless complication.

The Lima cabinet knew, therefore, everything concerning the negotiations at La Paz; it could appreciate the tenacious resistance opposed to the conciliatory proposals of our chancellery; and it also knew that such proposals were replied to by unheard-of acts of violent spoliation. In spite of this, that cabinet, so zealous for the peace of America, which has assumed at the eleventh hour the charge of Bolivia, could find then—when an opportunity offered for it to fulfill its duty—not a single word nor course whatever to avert a conflict in which it may now be said Peru represented a secret *rôle* by no means in conformity with its much-talked-of highmindedness.

It was our duty then to confide in the loyalty of Peru; still more, we had the right to demand it, either on the ground of a sincere friendship, or as a slight return for the blood of our citizens and our treasure spent in giving that country a nationality, and defending it at the price of our own ruin.

It was natural for us to give faith to the professions of netrality which the Peruvian Government transmitted to us through our plenipotentiary; and to consider as friendly the intimation given us by that cabinet, that until war was declared it must permit the passage of Bolivian troops through its territory, in virtue of a previous treaty.

There were, however, various antecedents which contradicted in a great measure the declarations that now we may stigmatize as insidious, with full knowledge of the circumstances. The President of Peru did not hesitate to express his fears for the pressure that might be brought to bear in an opposite sense by a reckless popular opinion. He hinted at the not improbable event of the action of the authorities being interfered with, and recognized the influence of certain circles whose disaffection to Chili is only founded on the childish jealousy with which our prosperity is regarded.

This caused my government to observe an attitude of vigilant expectation. According to the rules regulating the relations of friendly powers, it would have been rash to provoke a definitive situation; but according to the claims of our own responsibility and dignity, we were bound to prepare for any emergency.

This explains the reception accorded to the extraordinary legation from Peru which arrived at Santiago at the beginning of March, with words of peace and conciliation.

The nature of the complication with Bolivia did not exclude the possibility of some arrangement, as it was not our desire to make war unnecessarily. My government, however, believed that all mediation under the then circumstances was inopportune; that it had even been so when on a previous occasion it had been offered by the chargé d'affaires of Peru; and that the cabinet of Lima had lost the occasion of interposing its friendly offices, even if it had at any time professed them.

When the government of La Paz showed itself deaf to all remonstrance; when its only argument was decrees violatory of the treaty of 1874; when it replied to pacific indications by the enforcement of the law of 1878, which implicitly abrogated its recent pledges to Chili; then, indeed, mediation would have been practicable, supposing that Peru had possessed the real character of an honorable mutual friend.

Believing firmly that mediation for the moment was groundless, my government yet considered that such belief was not incompatible with hearing the ideas of the Peruvian Government, transmitted by its representative, Don José Antonio de Lavalle. At the preliminary conference held by the undersigned with Señor Lavalle, it appeared that the object of the mission was to exchange ideas and make general observations on the Chilino-Bolivian question. As then the belief became more pronounced in the existence of a secret treaty of alliance, concluded in the year 1873 between Peru and Bolivia, it seemed advisable to interrogate Señor Lavalle concerning an event of such importance; and as at the same time an unusual activity was observable in the army and navy of Peru, explanations were demanded as to the signification and object of such preparations.

Señor Lavalle gave the following reply:

"That he had no knowledge of the treaty alluded to; that he believed it had no "existence; that it could not have been approved by the Congress of 1873, because the "legislature being biennial till the constitutional reform of 1878, that assembly did not "meet in that year; and that he was sure it was not approved on the following years, "during which he had the honor of presiding over the diplomatic committee of Con-

"gress, at which such negotiation would necessarily have had to be discussed. But "nevertheless, as since his arrival in Chili he had heard the existence of this treaty "spoken of, he had asked instructions from his government, which he would commu- "nicate immediately they were received."

Respecting the belligerent attitude which Peru commenced to assume, its representative attributed it to the special condition of its territory, and to the necessity of preventing its violation by the operations of the belligerents, which it was reasonable to anticipate, as the Bolivians had invaded it even in the cases of internal commotion.

These explanations were not tranquilizing, because they were not conclusive, and confirmed my government in the conviction that it would be necessary to resolve so equivocal a situation before the cabinet of Lima itself; and even without knowing its antecedents, instructions were sent at the first moment to our minister at that capital, to ask for a prompt declaration of neutrality.

The cabinet of Lima, as I have already had the honor of stating to your excellency, declared to our representative in verbal conference that it would be neutral in the conflict with Bolivia, and that such resolution would remain in suspense until the declaration of war were notified to it.

On March 14 our minister in Lima announced to my government that the chargé d'affaires of Bolivia had made known to the diplomatic corps there resident that his country was at war with Chili, and on the same day orders were sent Señor Godoy to demand the declaration of neutrality. It was asked for in moderate terms on the 17th of the same month, and the Peruvian chancellery, replying on the 21st, referred to instructions that would be transmitted to its envoy extraordinary in Chili, without explaining the reasons which induced it to delay the solution of a legitimate right which gave no margin for further explanations. The disloyal evasion of Peru was unacceptable even to the least suspicious judgment, and for this reason my government informed Señor Godoy on the same day that it did not admit of such a tardy course being adopted; that it insisted on claiming its right in Lima itself; and that it now not only asked Peru to define its attitude, but demanded a frank explanation as to the object of its armament, and substantial guarantees for the future, in the event of any probable contingency.

Such a demand was fully justified. The extraordinary mission of Señor Lavalle, at such a critical moment, only served to satisfy us as to his ignorance of subjects of immense importance; and at the same time the Government of Lima had to be reminded that it had confessed itself impotent to fulfill its duty, and that an explosion of hate as profound as unreasonable against this republic had burst forth among the people of the pretended mediator.

The moment had therefore arrived to dissipate all doubt. My government, sensible of the responsibility weighing upon it, and being aware of the extent of the right of self-defense before an ill-defined neutrality that was arming in every haste, did not hesitate to give its demands the pressing nature that the gravity of the situation demanded.

On the said 21st of March Señor Godoy communicated to my government the result of that step, but the defective telegraphic transmission necessitated the rectification of the dispatch, which from various causes could not be effected before the night of the 24th. His note had not been replied to in writing, but in verbal conference he was given clearly to understand by the Government of Peru that it was impossible for it to assume a neutral attitude, owing to the existence of a treaty of alliance with Bolivia. In spite of the importance of this declaration, that government insisted on Chili abiding by the explanations of the Peruvian envoy; and exhibited, with an impassiveness at variance with the simplest demands of honor, the desire of postponing the solution of the problem.

Notwithstanding, my government, obedient to the respect which it has always professed toward the opinions of other nations, and desirous of avoiding the reproach of hastiness by the omission of any essential requisite to establish clearly the situation of Peru, endeavored to obtain explicit and exact explanations.

On the said 24th of March peremptory instructions were sent to our minister at Lima. According to them he was to insist that the question of neutrality should not be discussed in Chili; that we demanded the immediate and guaranteed suspension of the armament, and the production of the secret treaty, inquiring if it was approved in due form, and if Peru was disposed to abrogate it immediately and give us the requisite explanations for having negotiated in secret, while on terms of friendship with us, a treaty showing want of confidence in and even of hostility toward Chili.

Such were our last demands and their just foundations. Our representative in Lima, putting them into prompt execution, conferred verbally with the head of the Peruvian Government and the members of his cabinet.

The result of those conferences was the following declarations, which suffice without any comment to show the international policy of a government allied till then

with us by a treaty of friendship offered by Chili when the ancient masters of Peru imposed on it a humiliating vassalage.

The cabinet of Lima, without a tinge of shame, undeterred by recent events, without even the frankness which occasionally excuses great faults, tranquilly answered our minister:

1. That it would not declare nor assume an attitude of neutrality, though with an incomprehensible logic it offered, nevertheless, on its already violated word, to suspend its warlike preparations.

2. That the secret treaty with Bolivia—a shameful net spread for our friendship—was duly completed for a long time past.

3. That that treaty, whose hidden existence was the best proof of its bastard nature, had to be kept secret, in accordance with one of its articles, calculated cunningly against the friend of many years, the ally in trouble, the savior in the two great crises of the nation, that with such a monument testified its gratitude; and

4. That a copy of this singular treaty had been remitted to Señor Lavalle; but on the understanding that it should only be read to us, doubtless to satisfy our curiosity to know a negotiation whose like can scarcely be found in the darkest records of diplomacy.

It is not surprising that the cabinet of Lima had the assurance to insist, with all the appearance of seriousness, on the possibility of the continuance of the pending negotiations.

If all this was not war, such as it is understood by civilized nations, it signified the same thing, under the transparent disguise of a mediator who assumed the double part of a friend when he was an interested belligerent.

The secret treaty of February 6, 1873, needs no lengthy examination to ascertain its object; and the reserve in which it has been maintained confirms in the least suspicious mind the conviction that it was entered into solely as a means of security for the fiscal egotism of Peru in its pecuniary troubles and to aid the schemes of the Government of Bolivia, a perpetual conspirator against the treaty of 1866. In 1873, neither Peru nor Bolivia was threatened by the remotest danger of territorial dismemberment; and much less could it be foreseen that Chili cherished such idea, seeing that it had granted to Bolivia whatever that republic demanded in the convention of 1866—applauded by the Bolivian people as a splendid manifestation of Chilian generosity.

The treaty of 1873 owed its origin—hidden as a shameful act—to the measures adopted by Peru at that epoch to justify one of the most audacious and cruel spoilations witnessed by countries submitted to a *régime* of common respect toward the industry of all nations.

Peru desired to monopolize and appropriate the nitrate works; and in order to sustain its daily diminishing credit, adopted the supreme measure of ruining an industry to satisfy a fiscal voracity that could not satisfy itself with the ordinary resources of a country that has lived, thanks to its territorial wealth, in complete obliviousness of economy and labor.

Your excellency cannot be ignorant of the situation of these three republics in February, 1873; and in fact only by the cause I have just indicated can be explained the existence of the treaty of that year, entered into in prevision of acts that nobody threatened to realize; that could not be realized while the treaty of 1866 existed; and when in no case was it possible to anticipate that Chili or any other nation would threaten the integrity of Bolivian territory, or the never-disputed sovereignty of Peru within its recognized limits.

It is evident that Peru sought in the treaty of 1873 to protect the financial measures it meditated against an industry that in any commonly scrupulous country would have had the right to develop itself freely. What it desired was to strengthen the nitrate monopoly without considering the sums invested in that industry; for in vain are antecedents of any kind scraped up to justify the belief, not probable, but even possible, of any aggression against the independence or dominion of the contracting powers.

Knowing the respective situation of these countries, the secret treaty of which I have spoken was either wholly useless, or it possessed an ulterior design that events have shown to be the real one. Neither Bolivia nor Peru could fear the perturbation of their sovereignty by any of the surrounding nations; so that the alliance is explainable by much less elevated motives, and which decidedly were intended to embarrass the action of my government in exacting the due fulfillment of the treaty we had celebrated with Bolivia, and provide against the consequences of the indignant clamor of Chilian citizens, despoiled by the despotic hand of the monopoly established in Tarapacá.

As a last analysis, the Peru-Bolivian convention was for Peru the cold calculation of a trader; and for Bolivia a vote of indemnity which covered the previous violations and future infractions of the agreement of 1866. The monopolizing interest of the former republic and the international ill faith of the second found their faithful

expression in that document, whose celebrity will be as lasting as the condemnation which the honest conscience of every civilized people will attach to it.

And this, you excellency will observe as an orignal lesson of diplomatic loyalty, was on the eve of adjusting the treaty of 1874, when Chili, without necessity, and only in homage to peace, being able to exact the fulfillment of the treaty of 1866, agreed to renounce its recognized right to the territory between 24° and 23°.

There is even yet something more worthy of observation. Article 3 of the secret convention reserves to each party the qualification of the *casus fœderis*. The 8th establishes, as a solemn pledge, to avert war as far as possible, employing conciliatory means to avoid a rupture, and among them arbitration.

Peru therefore possessed the fullest liberty of action for deciding if the time for an alliance had arrived. It could and ought to have considered the object and character of the operations undertaken by my government; and more than one opportunity presented itself for offering its mediation, when it assisted as a mute witness to the negotiations whose logical results it could not otherwise than forsee. It is not therefore unwarranted to impute to the cabinet of Lima the deliberate intention, formed long before, of assuming the character of a belligerent. For this reason it manifested a decided inclination for neutrality even whilst it armed with unusual rapidity; for this it sent us a legation which claimed to be without instructions on the cardinal points of its mission; for this, whilst it delayed the replies asked by our representative, it sent urgent orders to Europe for new war material.

All this would merit, on the part of any power disinterested in the conflict, qualifications too severe for my government to repeat here out of respect for that of your excellency. The nations whose worthy representatives I have the honor to address will observe by the accompanying documents, that even accepting as obligatory the secret treaty of 1873, the Peruvian Government was free from any pledge. That of Bolivia refused the arbitration referred to in article 8 of the secret treaty, as it did in the treaties celebrated with Chili; and the *casus fœderis* had not occurred, inasmuch as Chili stated, and repeated frequently, that it did not intend to conquer a hand's breadth of Bolivian territory. Peru not only could but should observe the strictest neutrality, even observing the secret stipulations binding it with Bolivia; because these are founded on the existence of a threat against territorial integrity, which was never thought of on our part; and because they also fix as an indispensable precedent to the *casus fœderis* the previous recourse to arbitration.

The explanations given by Señor Lavalle, far from attenuating, strengthened more clearly, if that be possible, the terminant spirit of the treaty of 1873. How accept the trifling excuse that it contained a generic stipulation, not directed at Chili, whilst it is carefully hidden from her knowledge? If the treaty meant a general guarantee against any advance of a foreign power, why was the co-operation of Chili not sought, which has given more than one example of being the first to contribute, with its men, and its wealth, toward the maintenance of the sovereignty of nations of a common origin?

It was still more inconceivable that Peru should inform us by its envoy that the reserve of the treaty arose from one of its conditions, fearing our susceptibilities might be wounded if it proceeded to act as mediator while informing us of its relations with one of the belligerents.

To discuss such allegations would be merely to tire your patience, and is doubly unnecessary, inasmuch as Peru from the beginning of the conflict has done everything in its power to elude any explanation relating to the secret treaty.

My government needed no extraordinary effort to ascertain, from the acts and declarations related, what was the position that Peru preferred to assume, what were the rights, and, more than all, what were the duties that were consequently imposed.

The mediator offered himself, backed by an army, whose rapid reunion testified to the prevision of proximate conflicts, manned his navy, and, whilst uncertainly stammering words of impartiality, allowed to transpire the engagement of a belligerent duly sealed.

It was Peru which, if it did not declare war first, with the frankness of a noble resolution, commenced it first; and, what is worse, a war hidden and sheltered under false protestations of friendship.

Chili has never forgotten the course marked out by the patriotism of its sons, the energy strengthened by the conviction of violated justice, and its historic name among civilized nations. It is Peru that has plotted and desired war; let Peru, therefore, be charged with the responsibility, whilst Chili delivers its future to the protection of God, to the stout hearts of its citizens, and to the just opinion of enlightened nations.

I have, &c.,

ALEJANDRO FIERRO.

No. 59.

Mr. Osborn to Mr. Evarts.

No. 98.] LEGATION OF THE UNITED STATES,
Santiago, Chili, May 10, 1879. (Received June 16.)

SIR: I herewith inclose an English translation of the secret treaty between Peru and Bolivia, of which I have heretofore written. It will be observed that the alliance is a defensive one, each agreeing to defend the other from all foreign aggression. While the treaty is general in its terms there can be no doubt that its purpose was to consolidate the remaining South American Republics against Chili. Article 4, it will be seen, provides for the extension of the alliance to one or more of these states. I have it from reliable authority that the Argentine Government was some time since urged to become a party to the arrangement.

I also inclose a "map of the theater of the war," first issued here. The 24th degree south has heretofore been the north line of Chili. The territory comprised in the degree lying north of this line is that in dispute between Chili and Bolivia, and the Bolivian jurisdiction extended thence north to the river Loa. The purposes of the Chili Government are, in my judgment, outlined in this map. The plan contemplates an extension of the northern frontier to the river Camerones, and a compromise with Bolivia by guaranteeing to her the possession of the territory on the coast embracing Arica and Tacna. It is believed here very generally that Bolivia would much rather have the territory mentioned than that hitherto possessed by her embracing Antofagasta, and that as soon as a favorable opportunity shall offer she will be found ready to break with her present ally. When it is remembered that the imports and exports of Bolivia nearly all pass through the Peruvian custom-houses at Arica and Mollendo, this faith of the Chilians does not seem extravagantly wild.

The military situation now is about this:

Antofagasta is occupied by about 10,000 Chilian troops. Iquique is occupied by Peruvian troops, about 5,000 strong. This place is still under blockade, and the people and soldiers are suffering much for want of healthy provisions and water. Arica is occupied by a combined army consisting of about 6,000 Bolivians and the same number of Peruvians.

The Chilian campaign seems now to contemplate a movement by the forces at Antofagasta upon Iquique. If they should be successful in this they believe that the time will have arrived for an arrangement with Bolivia. If this should be consummated the new allies would unquestionably have Peru at their feet. President Daza, of Bolivia, is understood to be with his troops in the neighborhood of Arica, and I do not doubt that with the assistance of the Chilian navy he would be able to overcome the Peruvian force there with but little difficulty. It may perhaps be said that this course on the part of Bolivia would be highly dishonorable, and that, therefore, she is not likely to pursue it. She may not, but it will be for other reasons than this if she does not.

I have been disappointed in the faint resistance which Peru has thus far made upon the sea. The Chilian naval force is traversing the Peruvian coast with impunity, destroying the moles and launches in the various ports, and occasionally, by way of diversion, destroying a town.

I have, &c.,

THOMAS A. OSBORN.

[Inclosure 1 in No. 98.]

The secret treaty between Peru and Bolivia.

The Peruvian minister of foreign affairs, Señor Manuel Irigoyen, and the envoy extraordinary and minister plenipotentiary of Bolivia, Señor Serapio Reyes Ortiz, having agreed to publish the secret treaty of defensive alliance celebrated between their repective governments on the 6th of February, 1873, in accordance with the terms of the additional article appended to the said treaty, the same has now appeared in print, and the following is a translation:

ADOLFO BALLIVIAN, constitutional President of the Republic of Bolivia:

Inasmuch as, between the republics of Bolivia and Peru, represented by the respective plenipotentiaries, there has been celebrated in the city of Lima on the sixth day of the month of February of the present year the following treaty of defensive alliance:

The republics of Bolivia and Peru, desirous to cement in a solemn manner the bonds that unite them, to increase thus their strength and mutually guarantee one another certain rights, have drawn up the present treaty of defensive alliance, to which end the President of Bolivia has invested with ample powers to conduct the said negotiation, Juan de la Cruz Benevente, envoy extraordinary and minister plenipotentiary in Peru, and the President of Peru has conferred the same upon José de la Riva Aguero, minister of foreign affairs, who have agreed upon the following stipulations:

ARTICLE I. The contracting parties will unite and join to mutually guarantee their independence, sovereignty, and the integrity of their respective territories, binding themselves by the terms of the present treaty to defend themselves against all foreign aggression, whether proceeding from another or other independent states, or from a force without a flag owing obedience to no recognized power.

ART. II. The alliance will become effective to protect the rights expressed in the preceding article, and particularly in cases of offense consisting, first, in acts tending to deprive either of the contracting parties of a portion of their territory, in order to assume dominion over it, or to yield it to another power; second, in acts tending to oblige either of the contracting parties to submit to a protectorate, sale or cession of territory, or to establish over it any superiority, right, or pre-eminence whatsoever, which may injure or offend the full and ample exercise of its sovereignty and independence; third, in acts tending to do away with or change the form of government, the political constitution or the laws that the contracting parties have made, or may in future make, in the exercise of the sovereignty.

ART. III. As both the contracting parties admit that every legitimate act of alliance is based upon justice, for each of them, respectively, the right is established of deciding whether the offense inferred to the other is comprised amongst those mentioned in the preceding article.

ART. IV. The *casus faederis* once declared, the contracting parties bind themselves to cease immediately their relations with the offending state, to hand their passports to its diplomatic ministers, to cancel the appointments of the consular agents, to forbid the importation of its natural and industrial products, and to close their ports against its ships.

ART. V. The same parties will also appoint plenipotentiaries to adjust by protocol the arrangements necessary to determine upon the subsidies, the contingents of either sea or land forces, or the aid of whatever kind that must be lent to the republic which has received the offense, the manner in which the forces are to act and the assistance to be lent, and whatever else may be convenient for the defense. The meeting of the plenipotentiaries will take place in the place assigned by the offended party for that purpose.

ART. VI. The contracting parties bind themselves to provide the one offended with the means of defense of which each may consider it can dispose, though the arrangements pointed out in the preceding article may not have taken place, provided that they consider the case urgent.

ART. VII. The *casus faederis* once declared, the offended party will not be able to make arrangements for peace, truce, or armistice, without the concurrence of the ally who may have taken part in the war.

ART. VIII. The contracting parties bind themselves in addition—

1st. To employ with preference, whenever it is possible, every conciliatory measure in order to avoid a rupture, or to put an end to the war, holding as the most effective the arbitration of a third power.

2d. Not to admit nor accept from any nation or government, protectorate or superiority that may injure and lessen their independence or sovereignty, and not to yield up nor transfer in favor of any nation or government any part whatsoever of their territories excepting in the cases of better demarkation of limits.

3d. Not to celebrate treaties of limits or of other territorial arrangements, without the other contracting party first knowing of same.

ART. IX. The stipulations of the present treaty do not extend to acts performed by political parties or the result of internal disturbances independent of the intervention of foreign governments; inasmuch as the principal object of the present treaty of alliance being the mutual guarantee of the sovereign rights of both nations, none of its clauses must be interpreted in opposition to its primary end.

ART. X. The contracting parties will, separately or collectively, when by a subsequent agreement they may consider it convenient, solicit the adhesion of another or other American states to the present treaty of defensive alliance.

ART. XI. The present treaty will be exchanged in Lima or in La Paz, as soon as it is legally perfected, and will remain in full force on the twentieth day after said exchange takes place. Its duration shall be for an indefinite period, each party reserving to itself the right of considering it as no longer existing when such shall be thought convenient.

In such a case the party desiring to annul the treaty must notify the other party of the same, and the treaty will no longer have effect on the elapse of forty months from such notification.

In testimony whereof, the respective plenipotentiaries signed it in duplicate and sealed it with their private seals.

Done in Lima on the sixth day of the month of February, one thousand eight hundred and seventy-three.

JUAN DE LA CRUZ BENAVENTE.
J. DE LA RIVA AGUERO.

Here follows an additional article which provides that the treaty shall be kept secret as long as both parties by common accord shall not deem its publication necessary.

The treaty having received the approbation of the extraordinary assembly of Bolivia and been confirmed and ratified by the then President of that country, Señor Adolfo Ballivian, was formally exchanged between the two parties, represented by their respective ministers, in the city of La Paz, on the 16th day of June, 1873.

The Peruvian Congress gave its approbation to the treaty on the 22d of April of the same year, and notified Señor Pardo, at the time President of Peru, of same on the 30th of the same month and year, who thereupon ratified it.

No. 60.

Mr. Seward to Mr. Osborn.

[Extract.]

No. 63.] DEPARTMENT OF STATE,
Washington, May 29, 1879.

SIR: I have to acknowledge the receipt of your dispatch of the 19th ultimo (92), in which you send me a copy and a translation of the manifesto of the government of Chili, in justification of its war with Peru.

Whatever may have been the causes leading to this war, its commencement and continuance cannot but be regretted by the United States; and it is hardly necessary to add that the announcement of an early peace between the two governments, as also with Bolivia, would be news most welcome to the Government of the United States.

* * * * * * *

I am, &c.,

F. W. SEWARD,
Acting Secretary.

No. 61.

Mr. Osborn to Mr. Evarts.

No. 100.] LEGATION OF THE UNITED STATES,
Santiago, Chili, June 5, 1879. (Received July 8.)

SIR: I have the honor to inclose a copy of the President's message, delivered to Congress at its opening on the 1st instant.

The message treats almost exclusively of the international difficulties in which the country is involved, but I discover little in it worthy of note which has not been already adverted to in my dispatches. Its review of the origin of the war with Bolivia and with Peru is but a repetition of the arguments presented by the foreign office in documents with which you have been furnished.

The President speaks with a pardonable pride of the valor displayed by the Chilians in the combat of the 21st ultimo at Iquique between the Chilian wooden ships Esmeralda and Covodonga and the powerful Peruvian iron-clads Huascar and Independencia. In this battle the Esmeralda, with no possible hope of escape from destruction except through a surrender, continued for four long hours the desperate encounter, and then went down with her colors still at the mast. The Covodonga, more fortunate than her companion, managed to get out of the bay closely pursued by the Independencia, and being a ship of light draught, by running close to the shore she led the large iron-clad upon the rocks and witnessed its total destruction.

The enthusiasm of the people in consequence of this battle is beyond my power of description. Chili has had other heroes, but I doubt if any were ever so honored as is now the memory of Arturo Prat, the late commander of the Esmeralda.

At the time of this battle the Chilian fleet, except the two ships mentioned, was in the neighborhood of Callao, where it still remained at last advices received here. The Huascar in the mean time has continued in the vicinity of Iquique. The loss of the Independencia must prove to be a severe blow to the Peruvian cause, and I doubt if it can be repaired in the present condition of the Peruvian credit.

The two Chilian iron-clads are powerful vessels, and ought to be able to destroy the Huascar if they can succeed in bringing her under their guns.

The government is exceedingly reticent as to the future movements of the fleet, but I infer that the blockade of Iquique will soon be re-established, if it has not already been done.

You will have learned ere this, doubtless, through our legation in Lima, of the tender made by Great Britain to Peru and Chili of its good offices in the capacity of a mediator, and of the refusal thereof by Peru. The President states in his message, as you will observe, that the offer was accepted by his government. I cannot speak positively, but I am strongly impressed with the belief that the action of Great Britain was the result of a suggestion from their legation here, and that this suggestion was inspired by the Chili government.

I see by the newspapers that the Queen's ministers have assured the British Parliament, in response to questions propounded to them, that their government would take the proper steps to protect the interests of British citizens on this coast pending the war. This declaration caused considerable uneasiness here.

The large Peruvian debt is principally held in England, and it was feared by the friends of Chili that the contemplated action meant an

interference in behalf of the holders to the extent of insisting that the niter and guano in the Tarapaca district should be applied to the liquidation of this debt, regardless of the result of the war in that section. The British minister called on me a few days since, and in the course of conversation, referring to this subject, said that the commander of the British naval forces in the Pacific had been instructed from home by telegraph to exercise due diligence in protecting British interests here, and that that was all that was meant by the assurance given by Her Majesty's ministers to Parliament. I do not doubt that such a dispatch was received, but you are better able to judge than I am whether the promises of the British cabinet contemplated this and no more, or not.

I have, &c.,

THOMAS A. OSBORN.

P. S., JUNE 6.—A dispatch received this morning announces that the Chilian fleet had returned to Iquique. On the 31st ultimo the Huascar was at anchor in a small inlet a short distance this side of Antofagasta.

OSBORN.

No. 62.

Mr. Osborn to Mr. Evarts.

No. 101.] LEGATION OF THE UNITED STATES,
Santiago, Chili, June 11, 1879. (Received July 24.)

SIR: I inclose an English translation of what I find published in the newspapers purporting to be a decree of the Bolivian government concerning privateers, and beg leave to direct your especial attention to sections 5 and 6 thereof. I assume that the treaty of the United States with Bolivia, proclaimed January 8, 1863, is still in force. This treaty fully recognizes the doctrine of "free ships, free goods," and unequivocally defines which shall be regarded as contraband of war. On these points the decree is in direct conflict with the provisions of the treaty.

This decree has caused quite a flutter in diplomatic circles here. The British representative has been especially exercised concerning it. He informed me a few days since that he purposed telegraphing the substance of it to London, and I conclude that if his government shall agree with him privateers under the Bolivian flag will be treated by Great Britain as pirates.

Bolivia is not, I understand, a party to the treaty of Paris, and I know of no maritime power, except that of the United States, which has stipulated with her for the recognition of the principle that the flag protects the cargo.

I have taken the liberty of mentioning this matter to my friend Judge Pettis, in a personal note which I forward to him at La Paz today. The decree is dated prior to his arrival at La Paz, and it may have escaped his notice.

I have, &c.,

THOMAS A. OSBORN.

[Inclosure.]

Translation of Bolivian decree concerning privateering.

Whereas, the Republic of Chili having declared itself in a state of warfare against Bolivia, and having taken armed and forcible possession of a portion of the coast, thereby breaking former well-defined treaties, it has become necessary to make use of all legitimate means of maritime warfare; and to such effect, having the right and believing in the necessity of sending forth vessels carrying letters of marque against any other vessels sailing under the enemy's flag, or against any Chilian merchandise, whether or not contraband of war which they may meet under a neutral flag, or for the taking or confiscation of the saltpeter works, guano deposits, or other products of the Bolivian coast which may be worked and exported, such acts being considered as robbery and piracy committed by the Chilian Government on the national property, I hereby issue the following decree for the guidance of all captains of privateers holding letters of marque from this republic in the present war against Chili.

1st. It is hereby authorized to any Bolivian privateer to chase and capture any Chilian vessel, whether she be a ship of war, privateer, a merchantman, whether she be at sea, or in the waters or harbors of the republic, waters or ports of the enemy.

2d. It is forbidden to privateers of the republic to make any attack or hostile act within the limits of any waters or ports belonging to neutral nations, it being understood that national waters are such as are within the reach of a cannon shot from low water mark.

3d. The privateers of the republic may take possession of the cargoes of Chilian merchant vessels, provided that such cargoes do not belong to any neutral, except in the case that the articles of which the same is composed may be contraband of war, destined to the enemy, the which will be always seizable. If one portion of the cargo is contraband of war and the other not, the first only shall be seizable.

4th. The privateers shall be authorized to stop or seize any neutral vessel which may carry official dispatches from or to the enemy, or troops for land or marine service, or supplies for the enemy.

5th. The privateers of the republic may seize any cargo being Chilian property, which they may find on board of any neutral vessel, whether or not the same may be contraband of war.

6th. Contraband of war is composed of the following matters: cannons, muskets, mortars, and all description of arms, and also all kinds of projectiles, gun carriages, fusees, fulminants, percussion caps, gunpowder, saltpetre, sulphur, articles of military clothing, harness, horse saddles and bridles, field tents, coal intended for the war ships of the enemy or their privateers, or other such, and all instruments and appliances destined for warfare, including food and victuals, gold and silver coined, and the correspondence addressed to the enemy; also military contingents or individuals belonging to the service of the enemy, are contraband of war.

7th. Also any vessel which cannot prove her neutrality may be seized, and in like manner those which may fail to produce the necessary documents, namely, the register, the bills of lading for the cargo, or other such documents as may vouch for the neutral ownership of the ship and cargo, and shall be deemed lawful prize unless there shall be proof that the said documents have been lost by inevitable accident. All the papers presented must be properly accredited in order to be accepted.

8th. Vessels which shall hoist any other flag than that of their true nationality, or which may throw their papers overboard into the sea, or which may offer resistance or attempt to escape from the privateer, shall be considered as enemies.

9th. The privateers of the republic are authorized to seize any vessels of whatever nationality which may carry on board produce exported from the ports of Mejillones or Autofagasta, and minerals from Caracoles, such as saltpeter, guano, silver or copper, unless they can prove that the same have been shipped through the intervention of the Bolivian authorities.

10th. The declaration of lawful prize shall be given by the courts established by the laws of the republic. If, on account of distance or other cause, the prize cannot be brought before such court, judgment shall be delivered by the diplomatic or consular agents of the republic in the ports of any friendly nation which may consent to the sale of such prize. If by chance the privateer, being embarrassed by extraordinary circumstances, may be unable to send the prize for proper judgment, she may act according to the circumstances, consulting her own safety, and keeping the necessary documents, which shall be presented in due course before the competent authorities.

11th. The privateers of the republic shall hold the right of visit which belongs to all belligerents, and in the exercise of the same comply with the following regulations: The privateer shall display the national flag, firing a blank shot towards the vessel which is to be visited, and which shall stop and hoist her ensign. If she do not do so the privateer will take the necessary means to oblige her to comply.

12th. If the merchant vessel stops and displays her ensign, the commander of the privateer shall send a visit on board, with all necessary precautions to examine the papers, and ascertain the nationality of the ship and cargo, and that she is engaged in legitimate trade.

13th. If on such visit it results that the vessel is seizable, the privateer shall take an inventory of the cargo, and all the effects which shall be found on board, and shall keep such documents as may prove the legality of the prize, to present the same before the respective tribunal (court).

14th. If it results from the visit, that the vessel is not seizable, nor may be detained, and that the cargo is altogether neutral property, and not contraband of war, a certificate shall be given to the captain of such vessel, in which these facts shall be set down, and the captain of the privateer shall keep a duplicate of the said document.

15th. Any vessels captured by Bolivian privateers, and also the cargo of the same, shall be free of all fiscal dues in the ports or harbors of the republic.

16th. The commander, officers, and crew of such privateers shall be under the protection of the government and law of the republic, and shall be considered Bolivian citizens, with all the rights and warranties thereunto annexed, even though they may be foreigners, from the time of the arming of the privateer, or that they may belong to her.

Given in the city of La Paz this twenty-sixth day of March, 1879.

H. DAZA.
EULOGIO D. MEDINA.

No. 63.

Mr. Osborn to Mr. Evarts.

No. 107.] LEGATION OF THE UNITED STATES,
Santiago, Chili; July 24, 1879. (Received September 4.)

SIR: General Urbina, an ex-president of Ecuador, has been here a few weeks on a special mission from his government in the interest of peace, and left this morning for Lima. On his way down the coast General Urbina had an interview with Presidents Prado of Peru, and Daza of Bolivia, at Arica, which resulted in his being informed that Peru and Bolivia would consent to a cessation of hostilities and an arbitration of the matters in dispute upon the condition that the *status quo ante bellum* should be restored, and should continue pending the arbitration. In an informal interview which I had with the minister of foreign relations yesterday, he informed me that this condition would not be ageeed to by this government. Said he, and truly, I believe, "a ministry which would consent to this now could not stand a day."

He added, however, that Chili would consent to arbitrate, leaving the *status quo* as at present, and with an understanding that if the dominion of the country in dispute should be determined to belong rightfully to Bolivia, Chili would pay therefor the price which the arbitrator might fix. I judge that this is the proposition with which General Urbina goes to Lima to-day.

What the other governments will say to it now is more than I dare to venture an opinion upon.

Since the first interview of General Urbina with Presidents Prado and Daza, the allies have met with quite a severe loss in the destruction of the "Independencia," one of the Peruvian ironclads, and it is possible that their demands touching the *status quo* may be somewhat modified.

From the beginning I have believed that, if the Chili troops should succeed in capturing Iquique before an arrangement could be reached, it would be difficult to induce Chili to consent to withdraw therefrom until she should be indemnified for expenses in the war; and this opinion I still entertain. The proposition which I assume General Urbina car-

ries, is, I doubt not, made in good faith, but it is made with the surroundings of to-day. There is here a strong party urging upon the government greater energy in the prosecution of the war, and one of the movements demanded is the capture of Iquique. President Pinto is exceedingly conservative and disposed to "make haste slowly," but public sentiment is pressing him forward, and has just made it necessary for him to change the commander-in-chief of the army. There is a very general demand for an aggressive campaign, and I think I venture little in predicting that before the receipt of this dispatch a part of the army now at Autofagasta will have effected a landing north of Iquique. I know that a forward movement has been determined upon, and the government anticipates a severe and bloody battle.

In the conversation referred to, the foreign minister volunteered some expressions touching the choice of an arbitrator, if that point shall be reached. While the Emperor of Brazil would be satisfactory to Chili, the government expects, I am led to believe, that the President of the United States will be requested to assist the belligerents in the arrangement of their difficulties.

Business in all its branches is at a standstill, and I can see nothing but universal bankruptcy in a long continuance of the war.

Some few months since the government, after failing in all efforts to secure a loan, issued six millions of paper notes. This is about exhausted, and I apprehend that ere long a new issue will be made.

The extraordinary expenses growing out of the war are not much short of two millions a month.

To provide the necessary funds for expenditures abroad, a decree has just been issued by the Executive requiring that all import duties shall be paid in silver or its equivalent in bills on Europe. This was made necessary by the great decline in the value of paper money exchange on London, which, rated at about 40*d.* for the dollar at the commencement of the war, has advanced to 28*d.*; or, putting it in another way, the American gold dollar, which was worth a few months since a dollar and a quarter in this money, now commands a dollar and three-quarters.

By the New York papers which came to hand by the last mail, I see that there has been some newspaper discussion growing out of a telegraphic dispatch from Berlin indicating an intention on the part of the German Government to interfere in this controversy.

These articles have been generally copied and commented upon by the Chili press, and I have yet to see an expression of dissent from the views entertained by our leading journals regarding the ability of America to arrange her difficulties without assistance from the other side of the Atlantic. The Ferro-canil, the leading newspaper of the country, has quite an able editorial on the subject this morning, in which it rejoices that the opportunity occurred for an expression of opinion upon the part of the American press regarding the "Monroe doctrine."

Public sentiment here now seems to be decidedly averse to European interference in any contingency. It may not be inappropriate for me to remark in this connection that several months since Baron von Gulich, the German minister here, informed me that he had just received a dispatch from his government directing him in the most positive manner to have nothing to say concerning matters which are purely American. I did not see the dispatch, nor am I sure now that he said that it in terms mentioned the "Monroe doctrine," but in our conversation I know he regarded it as conforming fully to this principle. The dispatch was received prior to the commencement of the present war, and was oc-

casioned, I think, by some suggestions made by von Gulich concerning the Argentine dispute.

The British representative informs me that his colleague in Lima is especially anxious that Great Britain shall be permitted to mediate, and is suggesting that the good offices of the government shall be urged upon the belligerents.

In my dispatch, No. 100, speaking of the tender by Great Britain of its good offices I intimated a belief on my part that this action had been inspired by the government here. Further developments lead me to conclude that my suspicions were groundless.

I have, &c.,

THOMAS A. OSBORN.

No. 64.

Mr. Evarts to Mr. Osborn.

No. 70.] DEPARTMENT OF STATE,
Washington, August 8, 1879.

SIR: I transmit herewith for your information copy of a dispatch from Mr. Ernest Dichman,* United States minister resident at Bogotá, reciting the causes which have prompted Colombia to proffer mediation for the settlement of the war between Chili and Peru and Bolivia, and announcing the appointment of Dr. Arosemena, the former secretary of foreign relations of Colombia, to visit Santiago, Lima, and La Paz on a special mission for the purpose of tendering such mediation.

Although abstaining from any direct indorsement of, or co-operation in, this apparrently laudable effort of Colombia in the interest of peace and reconciliation, this government, which feels lively solicitude for the prosperity and tranquility of the South American states, cannot but watch Dr. Arosemena's mission with especial attention.

In personal intercourse with the doctor, when he visits Santiago, you will probably find a fitting occasion to express to him the warm interest taken by the United States in this tentative step, and the friendly solicitude of this government as to the result.

I am, sir, your obedient servant,

WM. M. EVARTS.

No. 65.

Mr. Osborn to Mr. Evarts.

No. 110.] LEGATION OF THE UNITED STATES.
Santiago, Chili, August 9, 1879 (*September* 16).

SIR: Since the arrival of Judge Pettis on this coast, in April last, we have exchanged many letters, some of a personal and others of a public character. Quite naturally the distressing war in which these countries are engaged has been a subject of comment. Realizing the sincere regret of the United States at this sad conflict we have endeavored, by careful inquiry into the real cause of the difficulty and a comparison of views thereon, to find some fair basis upon which an honorable and a lasting peace might possibly be consummated.

* For inclosure see inclosure to document No. 5.

It is unnecessary that I should recapitulate in detail our correspondence. Suffice it to say that all parties seemed willing to arbitrate, and all appeared desirous that some branch of the Government of the United States should officiate as arbitrator, but the difficulty which blocked the way was the *status quo*. Peru and Bolivia insisted that the *status quo ante bellum* should prevail, while Chili contended for it, as at present. Judge Pettis seemed to think, however, that this difficulty might be removed if a fair opportunity should be afforded the belligerents for a comparison of their views.

On the 29th ultimo I received a telegraphic message from Judge Pettis on board the steamer at Coquimbo, on his way to Valparaiso, notifying me of his coming to Chili. In an unofficial interview with Minister Hunaeus, in charge of the foreign office, I informed him of the receipt by me of this message, whereupon he requested me to urge Judge Pettis to continue his voyage to Santiago. On the arrival of Judge Pettis here I introduced him to Minister Hunaeus, and several extended conversations, all having in view a peaceable solution of the difficulties, have followed. In the outset Mr. Hunaeus was informed that Judge Pettis was here without instructions from his government. Mr. Hunaeus expressed a belief that his government would be glad to arbitrate the questions in dispute and would accept as arbitrator either the President of the United States, the Supreme Court of the United States, or the United States ministers at Santiago, Lima, and La Paz, but that it would not recede from its position regarding the *status quo*.

Many suggestions were made, when finally Judge Pettis expressed a belief that a *status quo* would be consented to by Peru and Bolivia which would provide for the immediate withdrawal of the Chilian forces from the territory north of the 23d parallel of south latitude, and for a concession to Bolivia of the coast as far south as, and including the port of, Majillones. Mr. Hunaeus seemed to think that this would be satisfactory to Chili if it were coupled with an understanding that if the arbitrator should determine that the territory between the 23d and 24th parallels was a part of Bolivia, Chili should pay Bolivia therefor a price to be by the arbitrator fixed. In support of this demand he urged the fact that the population and interests in the territory spoken of were almost exclusively Chilian. Judge Pettis replied that he did not know that there would be any serious objection to this, whereupon Mr. Hunaeus requested that an informal written memorandum should be made of the suggestions presented for submission to the President and cabinet. Judge Pettis desired an opportunity to confer with me privately on the subject, and in an hour I forwarded to Mr. Hunaeus the memorandum of Judge Pettis, written in pencil, under cover of a personal letter from me. I will forward hereafter a copy of the memorandum. I am not in possession of it now, but having stipulated for a return of the original when it was sent to the minister, it will, I presume, be returned to me in a day or two. The cabinet is in earnest consultation on this matter to-day, but I will not be able to give you the result thereof by this mail. I must close my dispatch in an hour. I may say, however, that notwithstanding the cheerful opinion expressed by Minister Hunaeus, my hopes of a peaceable solution of the dispute between Chili and Peru *at present* are not unbounded. There is a deep-seated feeling of enmity between the two countries, and I doubt if either is yet ready for peace. They are jealous of each other, and are engaged in a terrible struggle for supremacy in the Pacific. It is different with Bolivia. Chili would settle with Bolivia on the basis suggested in a

moment. That such a settlement would, by removing the original cause of the war, tend to simplify the road to peace with Peru, is probably true.

It is proper that I should say that the presence of Judge Pettis here has, in my judgment, materially improved the prospect for an amicable arrangement of the difficulties.

The advance of the army predicted in my No. 107 has been, by reason of the capture by Peru of one of the Chilian transports, indefinitely postponed.

The blockade at Iquique has been raised. I am not advised whether the government intends to re-establish it or not.

I have, &c.,

THOMAS A. OSBORN.

No. 66.

Mr. Osborn to Mr. Evarts.

No. 112.] LEGATION OF THE UNITED STATES,
Santiago, Chili, August 16, 1879. (Received September 17.)

SIR: In my dispatch No. 110 I spoke of the arrival here of Judge Pettis and of the informal submission to the minister of foreign relations of his memorandum regarding peace. I now have the honor to inclose a copy of the memorandum, together with an English translation of the response sent me by Minister Hunaeus. It will be observed that they are both without date and signature. The memorandum of Judge Pettis was inclosed to the minister in a personal letter from me, a copy of which I forward, as I do also a copy of the personal letter to me from Minister Hunaeus accompanying the response.

It will be seen that the fears expressed in my No. 110 regarding the prospect for an immediate peace with Peru were well founded, as was also my belief that Chili would consent to submit to arbitration its questions with Bolivia on the basis proposed in the memorandum. In my judgment the President would gladly conclude a peace with Peru on the terms suggested, if he could. But he is powerless in that direction. The war spirit is in the ascendency, and it is likely so to remain until a trial of strength has been had.

President-making is now the order of the day, and I very much fear that this spirit will soon develop into one of President-breaking. The cabinet is being repeatedly called before Congress for explanations concerning the conduct of the war, and it is now understood that there is soon to be another change in the ministry. The mass of the people, urged on by the politicians, clamor for more activity, while the administration hesitates. The government doubtless fears that a serious reverse would, in the present condition, produce a revolution. I seriously fear that Chili is being threatened by an enemy far more dangerous than the armies of Peru and Bolivia. Her internal political condition is that of confusion, and as each day succeeds the other it becomes more so.

A rumor obtained currency a few days since that the United States Government had determined upon intervention in the controversy, and the newspapers of the clerical party, accepting the rumor as well founded, proceeded to inform the President as to his duties in the premises. Circumstances, among which I may mention the arrival of Mr. Fisher,

of Boston, with dispatches for the legation, and the visit of Mr. Pettis, conspired to give credence to the report. It was freely stated that Mr. Fisher had announced on the steamer that he was the bearer of important dispatches to this legation concerning the war, and an article was copied by the press from a Lima paper, announcing the arrival there of Mr. Fisher with important dispatches from the government at Washington for our legations at Lima and Santiago. The excited condition of public opinion gave to these incidents an important coloring and afforded the sensational newspaper man a fair field for operations. Of course the rumor was of short duration, but the discussion which it produced developed the existence of a strong public sentiment in opposition to dictation from without. I may have more to say hereafter regarding the source of this rumor.

I have, &c.,

THOMAS A. OSBORN.

[Inclosures.]

1. Memorandum of basis for peace.
2. Response sent by Minister Hunaeus.
3. Personal letter to Minister Hunaeus, inclosing memorandum.
4. Personal letter from Minister Hunaeus, inclosing response.

[Inclosure 1 of No. 112.]

Memorandum of basis for peace.

Whereas, it has been suggested through a friendly medium that even now the pathway to an early, honorable, and profitable peace leads in the direction of arbitration at the hands of some known and acknowledged power alike friendly to Peru, Bolivia, and Chili;

And desiring in the spirit of conciliation and compromise, and in the interest of peace and humanity, to transfer and elevate the contest of principle from the theater of force to that of reason and conscience:

It is agreed that all differences and all matters in dispute between Peru and Bolivia upon one side, and Chili upon the other side, of whatever character, class, kind, description, or extent, be submitted to ——— ———, who shall be requested to meet upon the —— day of September, 1879, for the purpose of receiving and considering the statements of the proper representatives of each of the three republics in support of their respective views and claims; and after such presentation, hearing, and consideration, to determine and decide upon all matters concerning which Peru, Bolivia and Chili are now at variance, and the same being reduced to writing and signed by a majority of the arbitrators, to be final, binding, and conclusive upon the said republics and the governments thereof; and in the event that the arbitrators should be of opinion that Bolivia is justly and equitably entitled to any territory south of the twenty-third parallel south latitude, it is understood that the arbitrators, or a majority of them, shall ascertain and fix the amount that Chili shall pay to Bolivia and the manner of payment for such territory, provided the respective legally-constituted representatives before the arbitrators cannot agree upon such amount as compensation therefor, and the divisory line between Chili and Bolivia shall thereupon be by such arbitrators established upon the said parallel 23d south latitude. Therefore,

It is stipulated:

That from this —— day of August, 1879, hostilities of every character shall cease, and neither party augment its forces on land or sea; that Chili at once disoccupy all territory south of the 23d degree of south latitude, withdrawing all her forces by land and sea south of said 23d degree, leaving clear to Bolivia as well the coast south of said degree ten minutes below said 23d parallel, but in all other respects the *status quo* to remain as at present.

This instrument to have no force or validity until signed by the proper authorities of the three republics.

[Inclosure 2 in No. 112.]

Response sent by Mr. Hunaeus.

1. The government has no objection to submit the questions between it and Bolivia to the arbitration of the United States upon the terms proposed, inasmuch as such terms cover the purpose of the war and express the spirit by which Chili has been governed in the question of boundaries with Bolivia, as also because it believes that such agreement would be cheerfully accepted by Congress, and meet the approval of the country.

2. With regard to the questions with Peru, although the conditions proposed meet, to a great extent, the purpose of the war, the disloyal conduct of Peru or its government in preparing for war while at the same time it was outwardly manifesting towards Chili pacific and friendly feelings; in offering herself as a mediator, while at the same time she was bound by a secret treaty of alliance with Bolivia, which, for the time being, was our enemy, affords this country and its government just grounds for not accepting a solution of our existing difficulties by means of an arbitration, and for demanding that in future Peru shall enter into no treaties such as the one of February of 1873, and which she kept secret for six years, doubtless waiting her opportunity to take the aggressive when the advantage might be on her side under a treaty which did not render war upon her side obligatory, unless we desire to expose ourselves to the serious danger of a standing menace against peaceful relations abroad, and to be always ready to resist.

Such are the grave considerations which deter the government from accepting the arbitration upon the terms proposed, and make it incumbent on it, before accepting them, of informing itself of the views of Congress with regard to the proposed conditions, and also to ascertain how far they would meet the exigencies of the country.

For, although the government recognizes it as a duty, suggested as well by reason as by the practice of all civilized nations, to put an end to war by pacific means, it also feels it to be a duty to consider well whether such pacific solution of the difficulties would really bring a lasting peace to Chili and shield her from the machinations of which she has been the object and by which she has been unwittingly dragged into a war for which she was not prepared.

[Inclosure 3 in No. 112.]

Mr. Osborn to Mr. Hunaeus.

SANTIAGO, CHILI, *August* 7, 1879.

MY DEAR FRIEND HUNAEUS: Judge Pettis, my colleague, accredited to Bolivia, has handed me the inclosed "memorandum" of a proposed arbitration of the dispute between Chili, Bolivia, and Peru, which I transmit for your information.

With due consideration, &c.,

THOMAS A. OSBORN.

[Inclosure 4 in No. 112.—Translation.]

Mr. Hunaeus to Mr. Osborn.

SANTIAGO, *August* 11, 1879.

ESTEEMED SIR AND FRIEND: Acknowledging the receipt of your letter of the 5th instant, and of the memorandum of proposed arbitration that the Hon. Newton Pettis, your colleague in Bolivia, had delivered to you, and that you had the goodness to remit to me, I have, in return, the pleasure of inclosing to you a copy of that which I read to you and to Mr. Pettis at 5 p. m. yesterday, thus acceding to the desire which you manifested of having it.

With all consideration, &c.,

JORJE HUNAEUS.

The Hon. THOMAS A. OSBORN.

No. 67.

Mr. Osborn to Mr. Evarts.

No. 118.] LEGATION OF THE UNITED STATES,
Santiago, Chili, October 17, 1879. (Received Nov. 24.)

SIR: Under date of September 24, 1879, Mr. Christiancy wrote me a somewhat lengthy letter from Lima upon the subject of the war, and made some suggestions regarding an effort to bring it to a termination. A copy of his letter was, he informs me, forwarded to the State Department. I have the honor to forward, under cover of this dispatch, a copy of my reply.

I have, &c., &c., &c.,

THOMAS A. OSBORN.

Mr. Osborn to Mr. Christiancy.

Private.] LEGATION OF THE UNITED STATES,
Santiago, Chili, October 17, 1879.

SIR: I have your communication of the 24th ultimo concerning the unfortunate war in which these republics are engaged, and suggesting propositions looking to peace, and have given it a very careful consideration.

You are right in concluding that, personally, I would be glad to see this conflict at an end. I see no good in it, but, on the contrary, much injury to all the governments concerned, and such influence as I may have had here with this government has been on all proper occasions thrown into the scale in behalf of peace. I have been careful, however, to avoid making myself offensive by tendering advice where it did not seem to be welcome. I have endeavored to keep in mind the fact that the conflict is one in which we are quite remotely, if at all, concerned, and the policy which has governed the United States would scarcely warrant her agents in meddling obtrusively in it.

As to mediation by the United States, my own judgment is against any movement in that direction, as the matter now stands, except upon a positive assurance that the good offices of our government would not only be accepted, *but that they are desired.*

Contingencies might arise in the future which would justify our government, perhaps, in *urging* its good offices, but I see nothing in the present aspect to warrant any such action.

If it should hereafter appear manifest that some of the European powers were on the eve of armed intervention, the aspect would doubtless be changed.

It is a mistake to suppose that this government is anxious to end the war and only seeks a way to let herself down easily. The war spirit here is quite as strong now as it has been at any time, and there seems to be the most perfect confidence in Chili's ability to conquer its enemies. Such being the case, it is useless to talk to them of mediation. They regard themselves as capable of settling their affairs without the assistance of a mediator. Mr. Arosemena, of the Colombian Government, whom you met in Lima, assured me last evening that he should leave in a few days without formally tendering the good offices of his government, as he has been privately made to understand that such good offices are not desired.

I still regard it as probable that in the end some of the questions in dispute will have to be submitted to arbitration, but the manner in which they are to be submitted will depend much upon the result of the war. When that point shall be reached I feel confident Chili will be content with the United States as arbitrator. I cannot, however, concur in your suggestion that the other governments mentioned should be associated with ours. I see many objections to it, and you will on reflection, I think, conclude that it would be impracticable.

Regarding your suggestion as to a division of the territory between the twenty-third and twenty-fourth parallels, I am confident that if Peru and Bolivia were to send here a direct proposition to that end it would not be accepted. Nothing short of utter defeat in the war will induce Chili to give up any considerable part of the territory south of the twenty-third parallel. She is willing, I judge, to arbitrate it, but only on condition that if the title should be determined to be in Bolivia, Chili should retain it by paying an equivalent therefor. I suppose that Judge Pettis has furnished you with a copy of the memorandum which was sent me by the minister of foreign relations. That memorandum was quite as moderate as public sentiment here would justify, and now that the depression which then prevailed over the loss of the

"Rimac" has given way to universal joy and renewed confidence because of the capture of the "Huascar," you can judge how utterly useless it would be to suggest to them a division of the territory referred to.

I have written you quite hurriedly in my anxiety to get my letter into the mail which leaves to-day, but have endeavored to speak plainly, and trust I have made myself understood. I am as anxious for peace as any one can be, and will go as far in the effort to bring it about as my sense of propriety will permit. My chief regret is that I am unable to see how, in the present condition of affairs, I can be of any service in that direction. I trust, however, that our correspondence shall be continued, and if events shall place it in our power hereafter to aid in extricating these republics from their difficulties, I feel confident that we will both be found equal to the occasion.

I will write you further on the subject as circumstances may seem to require.

I have the honor to subscribe myself, truly your friend,

THOMAS A. OSBORN.

No. 68.

Mr. Osborn to Mr. Evarts.

No. 120.] LEGATION OF THE UNITED STATES,
Santiago, Chili, October 28, 1879. (Received December 18.)

SIR: Referring to your instruction, No. 70, regarding the mission of Dr. Arosemena, special ambassador of the United States of Colombia to the belligerents in the existing war in this section, I have the honor to inform you that I have discharged, to the best of my ability, the duty therein imposed upon me. Soon after the arrival of Dr. A. at this capital we were made acquainted with each other, and circumstances have since brought us together quite frequently. On more than one occasion before the arrival of your instruction he had mentioned to me the purposes of his mission, and had intimated a hope that possibly the United States Government might join the United States of Colombia in its efforts for peace. I said to him in substance that I was without instructions touching the matter suggested by him, but that, while I knew that the United States Government felt a deep concern for the welfare of all the American republics, and that it regretted very much the present conflict and would rejoice at its termination, still I did not believe that it would, in the absence of knowledge that its good offices were desired by all the belligerents, or until it should have some good reason for believing that an effort by it in behalf of peace would be crowned with success, propose to meddle in the controversy in any manner.

Subsequently, when your instruction came to hand, I was more than gratified to observe that my expressions were in harmony with the views of the State Department in so far as the Department had seen fit to make them known. Dr. Arosemena is not hopeful of accomplishing anything now, and will leave here in a few days for Lima without formally tendering the good offices of his government. He has private assurances that the services of his government are not desired by Chili at present.

Upon this subject of mediation by the United States, I had occasion to write at some length a few days since to my colleague Judge Pettis in answer to some letters from him. In the course of my communication I took occasion to say that I was "fully convinced that our diplomatic agents should be careful to avoid any action which could possibly be tortured into an effort to *urge* the mediation of our government upon the belligerents." "This rule," I continued, "I have adopted for myself, and it shall be adhered to unless a change of circumstances shall render another course necessary or until advised otherwise by the government

at home." I informed him that Chili seemed perfectly confident of its ability to conquer its enemies, and that I had no reason to believe that it desired the good offices of our government at present.

This country was never more confident of success in the war, apparently, than it is now. The government, as now organized, with Señor Santa Maria at the head of the cabinet, represents fully the aggressive war spirit of the country. The government has the confidence of the people in so far as the conduct of the war is concerned, and all are sanguine regarding the result. And I judge, from the tone of the Peruvian press, that the allies are quite as confident that they will ultimately triumph. While matters continue in this condition I am at a loss to understand how our government can possibly make itself useful in the direction of peace. I am sure that no proposition which would admit of the reoccupation by Bolivia of the territory between the 23d and 24th parallels, or any considerable part thereof, would be accepted by Chili, no matter where the proposition should come from. It will also be remembered that in the unofficial "memorandum" sent to me by Mr. Hunaeus, late minister of foreign affairs, a copy of which was inclosed in my No. 112, it is claimed that, as between Peru and Chili, the latter must have some guarantee that its peace shall not be disturbed in the future before there can be a cessation of hostilities. At the time of the delivery of the memorandum I asked Mr. Hunaeus if he was prepared to say what guarantee would be required, but he did not answer. The principal cause for the declaration of war against Peru was the secret treaty between Peru and Bolivia. Chili understands this compact to have originated in Peru's hostility to her, and I am led to infer that the "security for the future" mentioned contemplated an abrogation of the treaty and an assurance that a like one would not be entered into hereafter. If Chili should, however, get possession of the Tarapacá district, I apprehend that it would be interpreted to mean much more.

There can be no peace until at least one of the parties to the conflict shall show a disposition to abate some of its pretensions. I am confident that Chili is not so disposed now. If the allies are, I do not know it. The fact is, the belligerents have not sufficiently felt the horrors of war to incline them in the direction of peace. Up to this time the conflict has been confined to the sea. There has been no engagement worthy the name of battle by the army, and there must be, in my judgment, at least one serious, bloody engagement by the land forces ere they will be found ready to listen to friendly suggestions from outsiders.

The Chilian land forces now number about twenty-five thousand men. They have been supplied with new arms of the most approved patterns, purchased in Europe. The men are regarded as good soldiers, and there will be much disappointment here if they fail to render a good account of themselves in the engagements which must, sooner or later, take place.

The capture of the famous turreted monitor "Huascar" by the Chilian navy has produced here the most unbounded enthusiasm. This vessel is now in the Valparaiso harbor undergoing repairs. This naval victory leaves Chili undisputed master of the sea. It remains to be seen whether she is to be as fortunate on land. Her position is undoubtedly much stronger than it was prior to this naval engagement.

The government is anxiously watching the course of events in the Argentine Republic. There is much hostility there to Chili, and it is feared that that country may yet drift into an alliance with Peru and Bolivia.

I have, &c.,

THOMAS A. OSBORN.

No. 69.

Mr. Osborn to Mr. Evarts.

No. 123.] LEGATION OF THE UNITED STATES,
Santiago, Chili, December 5, 1879. (Received January 22, 1880.)

SIR: I am this day in receipt of a note from the minister of foreign relations, containing information to the effect that on the 27th ultimo the Peruvian port of Arica was placed in blockade by the Chilian squadron.

The ports of Iquique and Pisagua are now in the possession of the Chilenos, and are open to commerce.

I have, &c.,

THOMAS A. OSBORN.

No. 70.

Mr. Asta-Buruaga to Mr. Evarts.

[Translation.]

LEGATION OF CHILI,
Washington, December 15, 1879.

Mr. SECRETARY: I have the honor to address your excellency for the purpose of calling your attention to the case of a torpedo-boat, which it is proposed to ship from Bristol, R. I., so that it may be used against Chili in its present war with Bolivia and Peru.

This legation has received reliable private information confirming the intelligence published on the 12th instant in the Evening Telegram (a slip containing the intelligence in question will be found on the margin of my letter), to the effect that this terrible agent of destruction has been in process of construction for some time, in pursuance of an order given by Peruvian commissioners or agents with the object above stated.

Without considering the question whether in legitimate warfare the use of an instrument of hostility would be admissible which uselessly endangers and sacrifices many lives, it may be asserted that a torpedo-boat comes under the head of armed vessels, as does any other of larger dimensions belonging to a navy, the fitting out of which violates the neutrality of the country in which it takes place. These boats are managed and operated by their own independent force, or as auxiliaries of other vessels forming part of a squadron. In such capacity they go to form, in my judgment, armed expeditions, whose preparation is in evident violation of the laws of the country in which it occurs, and from which they are conveyed for the purpose of carrying on hostilities against another with which that one is at perfect peace. I do not consider that this torpedo-boat is included in the right which is allowed to belligerents to purchase arms or other articles contraband of war in a neutral country.

Consequently, and in virtue of the stipulations of the treaty of 1832 between this country and Chili, which is still in full force as regards peace and sincere friendship, and of the neutrality law, I would request your excellency to adopt suitable measures to prevent the said torpedo-

boat from leaving any port of these United States, it being evidently intended for hostile use against Chili.

I avail myself of this occasion to repeat to your excellency the assurances of the very high consideration with which I am,

Your excellency's, &c.,

F. S. ASTA-BURUAGA.

71.

Mr. Osborn to Mr. Evarts.

No. 125.] LEGATION OF THE UNITED STATES,
Santiago, Chili, January 13, 1880. (Received Feb. 25, 1880.)

SIR: I am this day in receipt of a note from the minister of foreign relations, dated yesterday, by which I am informed that the Peruvian ports Ilo and Mollendo have been placed in blockade by the Chilian squadron.

The blockade of the first-named port was established on the 12th of December, and of the last named on the 29th of the same month.

I have, &c.,

THOMAS A. OSBORN.

No. 72.

Mr. Evarts to Mr. Asta-Buruaga.

DEPARTMENT OF STATE,
Washington, February 10, 1880.

SIR: Your note of the 15th of December last, in relation to a rumor that a torpedo-boat was about to be shipped from Bristol, R. I., for the use of the Allies in the present war with Chili, was duly received. In reply I have the honor to observe that the facts, as now within the knowledge of this Department, do not constitute any sufficient ground of criminal action against the builders of the craft, such as would necessarily follow the preliminary measures prescribed in our neutrality statutes.

I have the honor, however, to add that I have requested my colleague of the Treasury to cause a watch to be kept on the movements of the suspicious craft to which your note refers, in order that any evident intent to violate the neutrality laws may be at once reported and acted upon.

Accept, &c.

WM. M. EVARTS.

No. 73.

Mr. Evarts to Mr. Osborn.

No. 83.] DEPARTMENT OF STATE,
Washington, February 19, 1880.

SIR: I have received a dispatch from the minister of the United States at Lima, with a copy of a letter from the consul at Lambayeque, Mr.

Montjoy, from which it appears that certain property of the American Oil Company, at Talara, which is described as "exclusively American property," and other like effects at the Lobos Islands, have been destroyed by the fleet of Chili; also that "a launch belonging to an American steam tug-boat was captured and taken away by the Chilian vessels, although made fast to the steamer and flying the American ensign."

It is understood that these facts are already within your cognizance. You will bring these acts to the early attention of the Chilian Government, and so represent the matter as may distinctly show, without however any appearance of captious opposition to the legitimate processes and needs of war, that the United States expect the equitable rights of their citizens under treaty and the law of nations to be respected to the full, as befits the relations between two such friendly powers.

I am, &c.,

WM. M. EVARTS.

No. 74.

Mr. Osborn to Mr. Evarts.

No. 131.] LEGATION OF THE UNITED STATES,
Santiago, Chili, February 25, 1880. (Received April 10.)

SIR: Under date of the 3d instant, the minister, of war and marine issued an order to the chief officer of the Chili squadron regarding the course to be pursued in the further prosecution of the war, an extract from which, with a translation in English, I herewith inclose. The remainder of the order I have not deemed it necessary to forward, as it treats only of the magnanimity of Chili heretofore, in dealing with the enemy, and is of no consequence.

It will be seen that this government proposes to adopt more vigorous measures than it has heretofore had recourse to in the prosecution of the war, and that to that end it directs the bombardment and destruction of all towns on the Peruvian coast which have prepared cannons for defense, and the destruction of all moles and other property in the various ports of the enemy used in the loading and discharging of cargo.

To say nothing of the misery and suffering which would necessarily ensue from a rigid execution of this instruction, it occurred to me that neutral rights and interests were liable to become very seriously jeopardized by it, and I therefore suggested to my colleagues of the diplomatic corps that it might be well to consider the propriety of addressing the Chilian Government on the subject. The result was a meeting of the corps, and, after a full discussion, an understanding that each representative should address the Chilian Government concerning the interpretation to be placed on the order in question. A copy of my note is herewith inclosed.

You will observe that I have urged that bombardment should only be resorted to as against towns which possess some importance in a military sense, and that even then sufficient notice should be given to enable non-combatants and neutrals to remove themselves and their property from danger. You will also have observed that I have protested against the right of Chili to destroy the moles and other means of loading and discharging cargo on the enemy's coast except where such destruction appears to be necessary in view of the military situation.

An important fact in connection with this subject is that a very large

proportion of the population, and even a larger proportion of the property, in the various towns on this coast, whether in Chili or Peru, is foreign; and it is upon these people and upon these interests that the severity of this measure must, in a great degree, fall, if its execution is insisted upon. Many of these people are Americans. If the government should listen to my suggestions, much ruin would be avoided, and I am not without hope of such a result.

My note is now under consideration at the foreign office, as are also those of the other ministers, and I anticipate a reply soon.

I have, &c.,

THOMAS A. OSBORN.

[Inclosure 1 in No. 131.—Translation.]

Extract from order of minister of war and marine, February 3, 1880.

So, then, now that it is manifest that the enemy did not duly appreciate the humanity of our conduct, I believe that our hostilities must be conducted with greater severity. In virtue of this, all towns on the coast that are protected by cannons should be bombarded and destroyed; all railroads that are serving the enemy in the transportation of troops and elements of war should be fired upon; and all moles and boats employed in the ports of the enemy in loading or discharging cargo should be destroyed. In a word, our standard of conduct hereafter must be to do the enemy all possible injury, without neglecting anything that is authorized by the law of nations, until it is made to feel the necessity of obtaining peace. Any other course will result in prolonging the war without limit, and will greatly increase the sacrifices which the country is making to sustain it.

If heretofore it was believed that great severity in conducting our hostilities was, until a certain point, unnecessary; now we have sufficient data to believe that we shall not oblige Peru to lay down her arms except by reducing her to absolute want, and making her feel, in the property and interests of her inhabitants, all the burden of the war.

[Inclosure 2 in No. 131.]

Mr. Osborn to Señor Amunátegui.

LEGATION OF THE UNITED STATES,
Santiago, Chili, February 21, 1880.

SIR: I find published in the Diario Oficial an order from the minister of war and marine of your excellency's government issued on the 3d instant to the commander-in-chief of the Chilian squadron, regarding the course to be pursued in the prosecution of the present war, touching the purport of which I deem it my duty to address your excellency.

The very cordial relations which exist between our respective governments encourage me to believe that the motives which impel me cannot be misconstrued, and that my suggestions will be received by your excellency as they are offered, in a spirit of the utmost sincerity and friendship.

I understand the order mentioned to direct the bombardment and destruction of all Peruvian towns which have made preparations for defense, and the destruction of all launches and other property, whether public or private, used for loading and discharging cargo in the various ports of the enemy. The instruction to bombard is, I understand, unrestricted, except as stated above. The importance of the place in a military point of view is not to be taken into consideration. It is enough to know that it has in place some cannons for defense. Nor is there any requirement for the notice now so generally recognized as necessary by the civilized governments in such cases.

The right of bombardment is a cruel one in any aspect, and the public opinion of the world very justly demands that it should be sparingly exercised, and when exercised that the horrors attending it should be mitigated in the greatest degree possible. It is a relic of the barbarism of the dark ages, against which civilization has for several centuries steadily and unceasingly directed its fire, and while the progress which has been made may not be as great as good men everywhere could wish for still much has been accomplished for humanity. The limits which circumscribed it

exercise in the ages which are past have been, through the expansion of an enlightened public sentiment, gradually reduced, until, I respectfully submit to your excellency, the law of nations recognizes it only as pertaining to ports which possess some importance, strategic or otherwise, in a military sense, and that even then sufficient notice of the proposed bombardment should be given to enable non-combatants and neutrals to remove themselves and their property from danger. And so, too, regarding the destruction of the launches and moles. It will hardly be seriously contended that such destruction could be justified except when the necessities of the military situation might seem to require it.

These observations are of a general character, but it is in its bearing upon the interests and rights of neutrals that I desire more especially to direct your excellency's attention to the order in question. These rights are liable to be seriously compromised by a rigid execution of the order, if I correctly understand its purport. The destruction of all the moles and launches on the Peruvian coast, for instance, involves the destruction of all neutral commerce with that country without the necessity of a blockade. I trust to be informed that my interpretation of the order in this respect is a mistaken one.

Without, however, particularizing further, I feel that my duty has been performed in bringing the matter to the consideration of your excellency, and I shall rest in the hope that whatever may appear to be wrong in the order referred to, in so far at least as it affects the right of neutrals, will be duly righted.

With sentiments of the highest consideration, I have, &c.,

THOMAS A. OSBORN.

Hon. MIGUEL LUIS AMUNÁTEGUI,
Minister of Foreign Relations.

No. 75.

Mr. Osborn to Mr. Evarts.

No. 132.] LEGATION OF THE UNITED STATES,
Santiago, Chili, February 27, 1880. (Received April 10.)

SIR: The minister of foreign relations has addressed me a note soliciting the friendly aid of our legations at Santiago and La Paz in securing an exchange with Bolivia of prisoners of war, in answer to which I have assured him that I would very cheerfully render his government all the aid in my power, and that I would communicate at as early a day as possible with my colleague in La Paz on the subject. I further informed the minister that Judge Pettis had been absent from his post, and that I was uninformed touching the time fixed for his return, but that I judged that the legation had been left in the hands of some person who would give due consideration to my communication if Judge P. should not be there to receive it.

I have this day written to the legation in La Paz, as promised in my note.

I have, &c.,

THOMAS A. OSBORN.

No. 76.

Mr. Osborn to Mr. Evarts.

No. 133.] LEGATION OF THE UNITED STATES,
Santiago, Chili, March 5, 1880. (Received April 10.)

SIR: In several of my dispatches upon the subject of the existing war in this section, I have expressed the conviction that if Chili should

succeed in placing her army in possession of the rich niter and guano deposits of the Tarapacá district she would insist upon holding them, regardless of any declaration which she may have made touching the purposes of the war. Prior to her occupation of this district her authorized officials here strenuously insisted that great injustice was done her if it was believed that her purpose was one of conquest. In a conversation with Judge Pettis and myself, in August last, Mr. Hunaeus, the acting minister of foreign relations, expressed himself quite emphatically on the subject, asserting that there was no responsible public opinion in Chili in favor of the conquest of a part of Peru, and he appealed to me to bear him out in this statement. I do not doubt that Mr. H. was sincere; nevertheless it was apparent to me then, as it had been before and has been since, that if Chili should succeed in conquering the district of Tarapacá she would eventually annex it to her dominion.

The drift of public opinion has constantly been in the direction indicated, and now I doubt if any responsible citizen would have the temerity to suggest a contrary course. There has been, and is now, doubtless, a difference of opinion as to the manner in which the annexation should take place, but that Tarapacá is to be annexed, now that it is in the possession of the Chilian army, is an acknowledged fact which no one presumes to question. A proposition for peace which should exclude the possibility of such a consummation would not, in my opinion, be seriously considered by this government. Just prior to the adjournment of the late session of Congress a resolution proposing an immediate annexation was offered by a very prominent and influential member, but the minister of the interior urged that its adoption then would be inopportune, and at his request it was laid aside. I judge that the government would prefer to accept Tarapacá as a reimbursement for expenses in the war to any other form of annexation.

The management of the niter and guano interests in the conquered territory is presenting some difficult questions to the Chilian Government. By military order an export duty upon niter of one dollar and fifty cents per hundred pounds was established some three months since, but from various causes comparatively little has been shipped, and the revenue derived therefrom is quite small. Of the principal causes for the meager shipment may be mentioned the excessive duty and the fear upon the part of the individual owners of a confiscation of their interests if Peru should recover her lost possessions. The government is sadly in need of money, and is making every effort to bring about a shipment of the niter, but I incline to the belief that before much is accomplished in that direction a reduction of the duty will be found necessary.

The average value of niter in the European markets during the year 1878 was thirteen shillings per hundred pounds. At this figure it would hardly pay to engage in its production, with the export duty as fixed. In 1878 the amount exported from the Pacific coast was 313,000 tons. Assuming this to be an average year, it will be seen that upwards of seven millions of dollars per annum could be realized from this source with the duty at one dollar per hundred pounds.

I inclose a military order recently issued regarding the exportation of guano from the districts mentioned. These guano deposits are, it is understood, all mortgaged to secure the payment of the Peruvian foreign debt. An agent of a part of the Peruvian bondholders has been here for about five months endeavoring to secure an arrangement with the government by which the guano in question should be appropriated to the payment of the debt for which it was mortgaged, and the inclosed

order is the result. In diplomatic circles here this action of the Chilian Government in permitting the foreign bondholders of Peru to pay themselves from the conquered territory is very highly spoken of.

It occurs to me that there may be some question touching the ownership of guano shipped under this order in the absence of further action by the Chilian Government.

I have, &c.,

THOMAS A. OSBORN.

[Inclosure with No. 133.]

Military order touching exports of guano from the occupied district of Peru.

JOSÉ A. VILLAGRAN, GENERAL-IN-CHIEF OF THE ARMY OF RESERVE, &c.

The province of Tarapacá being occupied by the Chilian army, and in virtue of the powers conferred upon me by the Supreme Government, I decree:

That as the foreign holders of Peruvian bonds have solicited due permission from the Supreme Government to ship guano from the Peruvian deposits occupied by the arms of the republic, and there being no impediment to granting this permission, I decree:

ARTICLE 1. The foreign holders of Peruvian bonds are hereby allowed to extract guano from the Peruvian deposits occupied by the arms of the republic, under the following conditions:

1st. The bondholders shall name a committee or responsible business house to direct the operations;

2d. The Chilian Government reserves the power of intervention and of naming one or more functionaries to inspect, and if it be thought opportune, to direct the operations of extraction and shipment.

3d. The functionaries referred to in the foregoing paragraph shall dispatch the loaded ships to Valparaiso, whence they cannot sail to a foreign port until the sum of 30*s.* per ton of guano on board has been paid into the custom-house.

4th. This payment shall be made in bills of exchange upon London, in favor of the Chilian Government and to its satisfaction; this payment shall be lowered to 20*s.* per ton, in case that the price of guano falls below £6 per ton.

ART. 2. The papers of the ships sent off shall be made out to the order of the firm of Messrs. Baring Bros. & Co., or to some other equally respectable firm, in case consignation is not arranged with them.

Until a contract of consignation be signed, the ships' papers shall be made out in favor of the Chilian minister and plenipotentiary in Europe, and of James Croyle, esq., and Sir Charles Russell.

ART. 3. The consignee or consignees of the guano shall proceed to sell the cargoes, and, after deducting the sums expended, be it in the obtaining of this permission, be it in payment of the debts referred to in article 1, or be it to repay the shipping expenses, or in other similar objects, the remainder shall be divided between the foreign holders of Peruvian bonds, in whose favor the guano deposits have been mortgaged.

PROVISIONAL ARTICLE. Until the committee, mentioned in article 1, be named, Mr. John Proctor is authorized to arrange provisionally the mode of shipment, he being empowered to use for that purpose the material in possession of the government.

Let this be published, noted, and communicated.

J. A. VILLAGRAN.

No. 77.

Mr. Evarts to Mr. Osborn.

[Confidential.]

No. 85.] DEPARTMENT OF STATE,
Washington, March 9, 1880.

SIR: The indications which reach this government from trustworthy sources, and among others from the legation at Lima, point to uneasi-

ness on the part of the governments of Great Britain, France, and Germany, with respect to the duration and tendency of the existing South American war, and to the exertion of considerable pressure by them on the contestants, and especially on Peru, to induce a speedy termination of the struggle.

It is not thought that this movement looks to a removal of the projected intervention in settlement of the quarrel, which was in contemplation last year. It is rather more probable that the almost continuous successes of Chili hitherto, and the distracted internal condition of her principal opponent, may induce the European powers to use effective arguments to bring about a practical surrender on the part of Peru and Bolivia. On the other hand, it is possible that the pressure in favor of a settlement, of mutual advantage to the commerce of those countries with the three States at war, may be exerted at Santiago as well as at Lima and La Paz, and that such arguments may be supported by suggestion of intervention if not accepted.

If, however, any renewal of the idea of European joint intervention should take shape, it is conceived that its application would encounter resistance on the part of all three of the belligerent governments, and that in such a contingency they would more naturally turn to the United States for counsel and arbitration.

Chili, as well as Peru and Bolivia, is already aware of the disposition of this government with regard to mediation, and its willingness to act as peacemaker if assured by all the parties to the struggle that its peaceable intervention would be acceptable and unhampered by any conditions in disparagement of belligerent rights. It is, therefore, at the present time unnecessary to again instruct you on this point, further than to observe that should the pressure of foreign governments upon the combatants tend to assume a coercive character, your attitude should be such as to facilitate a joint and friendly resort to the good offices of the United States. In such an event, requiring prompt action, perhaps, before the instructions of this government could be asked and received, the Department would place much reliance upon your own good judgment.

An instruction identical with the present is sent by to-day's mail to Mr. Christiancy, at Lima, and Mr. Pettis, at La Paz, with whom you are counseled to continue the friendly conferences and consultations by letter which have heretofore been so beneficial to the conduct of the intimately related affairs of your respective legations.

I am, &c.,

WM. M. EVARTS.

Same to United States minister, Peru.

No. 78.

Mr. Evarts to Mr. Osborn.

No. 87.] DEPARTMENT OF STATE,
Washington, April 13, 1880.

SIR: I have to acknowledge the receipt of your No. 132, in which you inclose a copy of a note from the Chilian minister of foreign affairs, soliciting the friendly offices of the legations of the United States at La Paz and Santiago, in securing an exchange of prisoners of war between

Chili and Bolivia, and to say in reply that Mr. Adams, who succeeds Mr. Pettis in the mission to Bolivia, presently departs for his post at La Paz and will be instructed in the direction desired. The person in charge of the archives of the legation at La Paz is not authorized to act in a diplomatic sense.

I am, &c.,

WM. M. EVARTS.

No. 79.

Mr. Evarts to Mr. Osborn.

No. 88.] DEPARTMENT OF STATE,
Washington, April 14, 1880.

SIR: I have to acknowledge the receipt of your No. 131, communicating information of the order made by the Chilian minister of war and marine to the chief officer of the navy to bombard all cities and towns and destroy all moles and launches of the enemy, where practicable, and in reply to approve the spirit and purpose of your note (a copy of which you inclose) to the minister of foreign relations of Chili on the subject of that order.

Commending the method you employed of expressing your views in the premises by a separate note rather than in connection with your colleagues, I conclude by observing that this government desires you to make every proper effort to restrict to collisions of a military character the cruelties and destruction of life and property involved in the prosecution of this deplorable war.

I am, &c.,

WM. M. EVARTS.

No. 80.

Mr. Evarts to Mr. Osborn.

No. 89.] DEPARTMENT OF STATE,
Washington, April 23, 1880.

SIR: I transmit herein for your information a copy of a late instruction* sent to Mr. Adams, the newly appointed minister of the United States to Bolivia, respecting a proposition of Chili, touching an exchange between those countries of prisoners of war.

I am, &c.,

WM. M. EVARTS.

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*See Mr. Evarts's instruction to Mr. Adams, *ante*, document No. 22.

No. 81.

Mr. Asta-Buruaga to Mr. Evarts.

[Translation.]

LEGATION OF CHILI IN THE UNITED STATES,
Washington, April 24, 1880. (Received April 26.)

SIR: In the conference which I yesterday had the honor to have with your excellency, in relation to the war in which my country is involved with Peru and Bolivia, you informed me that you had received official advices from the former of those republics, to which, in view of their gravity, you deemed it indispensable to call my attention.

By those advices your excellency was informed that the corvette Chacabuco and the transport Loa had appeared, on the 10th of March last, off the island of Lobos de Afuera, and that after notifying the governor of the island of the object of their visit, they had proceeded to burn and destroy the wharf, platforms, cars, boats, and other appurtenances of the port, and to take on board everything movable that they could find on the island, including mules, horses, cattle, and provisions, belonging both to the company which is engaged in taking guano there, and to the store of the parties who supply it with provisions (over which the flag of the English consul was floating), without leaving anything on the island for the inhabitants to eat, save a quantity of rice and jerked beef sufficient to last them for eight days; that the commander of the Chilian vessels had declared, on performing these acts, that he had positive orders to take whatever he could find, to await re-enforcements, and then to destroy all the ports of Peru between Paita and Callao. Finally, that without any provocation on the part of the inhabitants, and without any warning to them, shots had been fired at their dwellings.

Your excellency further informed me that you had also received official advices that instructions had recently been issued by the ministry of war and marine to the Chilian squadron in the sense stated by the aforesaid commander, and that you were likewise informed that, as regarded those orders, representations had been addressed to the Government of Chili by the diplomatic ministers accredited to it, in behalf of neutral interests in Peru and Bolivia; your excellency observing that, in view of this intelligence, and since it was proposed to destroy property in those ports, ninety per cent. of which was understood to belong to foreigners, a large proportion belonging to North American citizens was thereby endangered, for which reason you requested me to give you some satisfactory explanation concerning the nature of these proceedings, and the reasons which had led to the adoption of such extreme war measures, since such acts of hostility affected not only the combatants and other inhabitants, but also neutrals, whose property and commerce thereby received injuries for which it was the duty of their respective governments to demand reparation, in the interest of their citizens. Your excellency remarked that you referred to this state of things in order that I might call the attention of my government to it, as likewise to the view which was taken of its action, reminding me that during the course of this war, the government of this country had uniformly maintained strict neutrality, notwithstanding the fact that it had been urged, in various quarters, to assume a different attitude.

To all the above statements made by your excellency in the aforesaid

conference, I had the honor to reply that I had no knowledge of the facts alleged, but that I would refer them to my government, together with your excellency's observations, feeling confident that it would hasten to rectify the inaccuracy with which I thought that those facts had reached your excellency, and to manifest the legitimacy with which hostilities are adopted, even to a rigorous degree, under the present circumstances of the war, for the purpose of completely subduing the enemy.

I nevertheless think it proper for me, in the mean time, to give you an idea of the line of conduct that has been followed in this war, in which Chili was forced to engage in defense of her rights.

In the early part of the war, Chili carried on hostilities against the two allied republics with extreme mildness, respecting the property of her enemies even to excess. She made war, arms against arms, without the rigor which is authorized by a state of war, or by the necessity of putting a speedy end to a deplorable and ruinous struggle, in order to re-establish peace on a solid and permanent basis. The prevalence of a state of war allowed her, however, within the sphere recognized by civilized nations, to disable and destroy her armed enemies, and whoever in any way, even incidentally, took part in warlike operations against her; to render useless or destroy any property belonging to her enemies, and any means of communication and traffic; to deprive the enemy of all resources, provisions, and means of subsistence, and, if military necessity required it, to extend her action with the same legitimacy to all inhabitants and property in the hostile country, so as to render it unable to continue hostilities.

A precedent for this course is found in the war in this country in 1861–'65. and in the recent European wars.

Chili did not do so. She now, however, finds herself obliged to comply with the demands of a military necessity, although she is careful not to disregard the dictates of humanity and the precepts of international law; she is obliged to do so by the conduct of her enemies, who, as is shown by Peruvian official documents, conduct hostilities on land by illicit means, and carry on an irregular warfare with armed prowlers. Nothing, therefore, remains for my government but to adopt severe repressive measures against hostilities of that character, in order not to prolong the contest indefinitely, at an immense sacrifice of blood and treasure, and to the great detriment of even foreign commerce. Under these circumstances, it is not strange if Chili has ordered the bombardment of armed ports whence resources are procured for the enemy, or that she should cripple the activity of railways and other means of communication which enable him to transport troops and munitions of war; nor is it strange that she should order the destruction of wharves, apparatus, and material intended to facilitate the loading and unloading of vessels, and to serve to maintain establishments like that of the island of Lobos, from the working of which the Government of Peru derives means to continue the war. Those establishments, moreover, in several of the ports, even if controlled by neutrals residing there or associated with enemies, partake of the same hostile character.

If, through hostilities which are performed through military necessity, the property or interests of foreigners residing in the enemy's country are injured, it is an evil similar to many others which emanate from the exceptional condition of a state of war. My government, however, has endeavored to avoid, as far as possible, doing injury to neutrals residing in the territory of the enemy, and I make bold to assert that it cannot be justly charged with doing anything detrimental to those interests without imperious necessity. Nevertheless, it is a recognized rule of

international law that if a neutral suffers injury through the unavoidable hostile acts of a belligerent, he does not thereby acquire a claim to indemnity; because, if he has preferred to continue or comes to reside in a belligerent country after the commencement of hostilities, it has been his intention to submit to all the contingencies consequent upon a state of war.

There is still another circumstance to which I will take the liberty of calling your excellency's attention, and it is that the bulk of the property in the ports of Peru has been transferred, perhaps surreptitiously, to foreign hands, since the beginning of the war, with a view to investing it with a neutral character, which explains why so large a proportion of that property has been represented to you as belonging to foreigners.

Yet, in spite of all, I can likewise assure your excellency that the Government of Chili, with the fairness and justice that characterize it in its dealings with friendly nations, will not refuse to make such reparation as may be called for by sound reason and the recognized principles of international law, and it hopes that the claims which it may prefer on account of the acts of foreign citizens during the war will be considered in the same spirit of reciprocity.

Hoping, sir, that the contents of this note will be satisfactory upon some of the points which formed the subject of our yesterday's conversation, until I shall have reported them to my government, so that it may explain them more fully, I have the honor to avail myself of this occasion to reiterate to your excellency the assurances of my most distinguished consideration.

F. S. ASTA-BURUAGA.

No. 82.

Mr. Osborn to Mr. Evarts.

No. 143.] LEGATION OF THE UNITED STATES,
Santiago, Chili, April 30, 1880. (Received June 5, 1880.)

SIR: Referring to your dispatch No. 83, concerning the destruction by the Chilian fleet of certain property of the American Oil Company at Talara, Peru, and the seizure at the Lobos Islands of a launch attached to an American tug-boat, I have to inform you that the instructions therein contained have been duly observed.

The information which I have been enabled to obtain, bearing upon this subject, is exceedingly meager, yet I judge that I am sufficiently acquainted with the facts to warrant the conclusion that the destruction of the property at Talara, at least, was without justification. Talara is far removed from the field of actual military and naval operations, and if the property destroyed had been used, or if it was in condition to be used, to further the prospects of Peru in the war, I am not advised thereof.

My information in regard to these matters is limited to a copy of the letter of Consul Mountjoy written to Mr. Christiancy, under date of January 3. By referring to your copy of this letter you will see that the information furnished, touching the affairs at Lobos Islands, is based entirely upon a conversation with a Peruvian official at that point, and while it may be correct in every particular, I am as yet without testimony confirming it. It is true, however, that this government

has asserted from the beginning of the war that Peru should not be permitted to export guano or nitre, and to that end has insisted upon the right to destroy in the various ports used for these purposes the means by which these articles have been loaded. Early in the war her navy destroyed the moles and launches at the guano deposits of Pabellon de Pica and Huanillos. The loss was very great, and the owners, who were British subjects residing in Great Britain, had the earnest support of their government in an effort to obtain assurances from Chili that they should not be again molested if they should repair their moles and launches. The note of Lord Saulsbury was, I am credibly informed, somewhat dictatorial in its tone, but it accomplished nothing. The guano deposits are, it will be borne in mind, the property of the Peruvian government, and it was contended here that Peru relied upon the exportations from them for means with which to carry on the war. That Peru has been very materially crippled in the finances by Chili's course in this matter will not admit of a doubt.

The Lobos Islands contain large beds of guano, and I infer that the launch referred to was seized to prevent its being used in loading that article.

I may add that the naval officer under whose immediate direction the acts complained of were committed was a rash man, and that he has since paid with his life for his excessive temerity.

I have reason to believe that the government has cautioned its naval officers against a repetition of such scenes as that at Talara. But while the war lasts I feel confident that Chili will endeavor to maintain her position regarding the exportation of guano.

I have, &c.,

THOMAS A. OSBORN.

No. 83.

Mr. Osborn to Mr. Evarts.

No. 148.] LEGATION OF THE UNITED STATES,
Santiago, Chili, May 20, 1880. (Received June 26.)

SIR: For your information I inclose a copy of a communication written by me to Mr. Christiancy, regarding the war between these republics, in which I have discussed somewhat briefly the prospects of peace, the probabilities of intervention by the European powers, and the methods by which our government could make its good offices available if our friendly mediation should be desired by the belligerents, and I wish especially to direct your attention to what is said on the latter branch of the subject, beginning on page 4.

It seems to me plain that if friendly mediation should be agreed upon, an early conference of duly empowered representatives of the belligerent governments would be a necessity. A discussion of the questions at issue could hardly be carried on in any other manner. The distance intervening, and the difficulties in the way of communicating by mail, would, in my judgment, render impracticable the holding of such conference at Washington, and I conclude that some point on this coast would be fixed for its sessions. You will observe my suggestions as to the course which should be observed by our diplomatic representatives in connection with such conference if it should take place. We could not expect to be of much service to the belligerents in arranging their difficulties

unless some authorized representative of our government could be present at the conference and assist therein, and the course suggested seemed to me the most practicable in the absence of instructions from the Department on that point. If peace could be secured without resorting to the conference, of course it should be done, but I do not regard such a result as probable.

Should my views on this subject be in harmony with those of the State Department it might be well, I respectfully submit, that the aid of the Navy Department should be solicited in carrying them into effect. In the contingency referred to it seems to me that the representatives of the Government of the United States having in charge this business should have at their disposal a naval vessel.

My suggestions are all made, of course, in contemplation of the contingency spoken of—a contingency which is liable to happen at any time, and which may, on the other hand, never occur.

I fail to discover any evidence here of a disposition on the part of the European powers to dictate to this government regarding the settlement of this controversy. Should such disposition manifest itself, however, and should it tend in the direction of armed intervention, I do not doubt that this government would solicit counsel and advice from the United States. It is unnecessary, I judge, that I should assure you that your instructions on this subject, embraced in your No. 85, shall be carefully observed.

It may be added that the Government of Chili is fully informed as to the willingness of that of the United States to use its good offices in the way of friendly mediation for the purpose of bringing about a peace when it shall be assured that its services to that end would be acceptable to all the belligerents.

I have, &c.,

THOMAS A. OSBORN.

[Inclosure 1 in No. 148.]

Mr. Osborn to Mr. Christiancy.

LEGATION OF THE UNITED STATES,
Santiago, Chili, May 13, 1880.

SIR: There prevails here to some extent among well-informed people an impression that following the battle which will probably be fought in a few days at Tacna, if its result should be favorable to Chili, negotiations between the belligerents will be opened, having in view the accomplishment of peace. The government officials have not discouraged the growth of this sentiment, and I am credibly informed that the President has stated that after this battle a proposition will be submitted to Peru for its consideration. I have no special means of knowing the terms of the contemplated proposition, but judge that it will include a relinquishment by Peru in some form of the province of Tarapacá. It could not do less and meet with the popular approval. Possibly, it may in substance contemplate an acknowledgment by Peru of an obligation to pay Chili's expenses in the war, and the right of the latter to occupy Tarapacá until such payment shall be made.

It is possible, however, if not probable, that the government may change its mind, and that no proposition whatever will be made. If the allies should be successful in the battle, an event which is not regarded as possible here, of course the idea would be abandoned. You best know how the terms suggested would be received by Peru, but my impressions incline me to the belief that they would not be accepted. It occurs to me, however, that perhaps an arrangement might be made which would acknowledge the obligation of Peru as above stated, but should leave the settlement of the amount of the expenses, together with the determination of all rights and equities in the nitre and guano in the district referred to, to arbitration. I merely suggest this that you may give it thought, if you think it worthy of consideration. Such a project would, I judge, receive the moral support of the European powers, and I know of no

reason why it should not be favorably looked upon by our government. The arbitrator would, I assume, be the United States, in case a resort to arbitration should be had upon any basis.

Now as to mediation. As I have written you heretofore, there is no evidence here, in so far as I can observe, of a contemplated intervention by the European powers, and but for the instruction from the State Department, of which I have spoken in a former communication, I should regard the probability of such a proceeding at this time as exceedingly doubtful. In view of this instruction, however, I feel constrained to regard the contingency as liable to occur. I assume that, in such an event, the good offices of our government would be very acceptable to all of the belligerents. It occurs to me, then, that we should endeavor to arrive at some understanding regarding the means by which the friendly mediation of our government can be made available. Prompt action would doubtless be required, and it is therefore important, in my judgment, that we should by comparison of views labor to comprehend each other fully, and to place ourselves in perfect accord.

Upon the tender and acceptance of the good offices of our government it strikes me that the first thing to be done is to bring about a conference at some suitable point of duly empowered representatives of the belligerent governments.

At this conference the United States ministers in the belligerent countries should attend and assist, and it might be convenient and proper to hold it on an American man-of-war. Our naval commanders would doubtless accede to any proper request which might be made of them in this connection. It may become very important that communications between our respective legations should be transmitted at a more rapid rate than the mails are carried. In such a contingency I do not doubt that our naval officers would afford us all proper assistance. You are in the vicinity of the seat of war, and will probably be informed of any movement in the direction indicated before knowledge of it can reach me.

If at any time it shall appear that the Government of Peru is ready to accept friendly mediation by the United States on the basis suggested by the State Department, I trust you will not fail to cause me to be promptly informed thereof; and I will thank you also for any information which you may give me concerning the disposition of Bolivia in this regard. As I understand it, neither of them has as yet signified its desire to that end. This is true also of Chili, but I feel quite confident that if I could positively assure this government that Peru and Bolivia were desirous of our good offices, an expression of its willingness to accept would not long be withheld.

I beg that you will write me generally on the matters herein discussed. I shall send a copy of this communication to the State Department for its information.

Very respectfully, &c.,

THOMAS A. OSBORN.

P. S.—I observe that a new minister has been appointed for Bolivia. The difficulties attending the transmission of communications from here to La Paz are very great, and it appears to me that the burden of conducting the correspondence with that legation on this subject will necessarily fall upon you.

Yours, OSBORN.

No. 84.

Mr. Osborn to Mr. Evarts.

No. 149.] LEGATION OF THE UNITED STATES,
Santiago, Chili, May 21, 1880. (Received June 26.)

SIR: Pursuant to an invitation from the minister of foreign relations, I to-day had an interview with him concerning our consulate at Iquique. The Chilian military governor at that point, Captain Lynch, has repeatedly charged that Dr. Merriam was unfaithful to his obligations as a neutral, and that his consulate was being used in the interest of Peru in the present war. In a conversation which we had some six weeks ago, Captain L. stated that he was quite confident that Merriam had taken advantage of his position to afford the Peruvian Government means of communicating with its southern army at Arica. Merriam, knowing of the suspicions concerning him, addressed me a letter denying that he had been guilty of any impropriety. There the matter rested until to-day, when the foreign minister told me that he had positive evidence

that our consulate at Iquique was being used as had been charged by Captain Lynch.

I replied that I did not doubt that Merriam's sympathies were on the side of Peru, for his wife and children were Peruvians; but if he was at liberty to give me the evidence upon which he based his conclusion I would be obliged to him. In reply, he said there was no doubt of the facts, and he then sent for and exhibited to me an official envelope addressed to the minister of war at Lima, in which was contained an official letter, signed by General Montero, the Peruvian director-general of the war at Arica. "This," said he, "was in transit to Consul Merriam for the purpose of having it forwarded to Lima by the mail steamer;" but just how the government got possession of it he did not tell me. The minister says the government is much displeased with the conduct of Consul Merriam, and he thinks he should be promptly removed from his position. In this opinion, in view of the evidence submitted to me to-day, I fully concur, and it seems to me that his displacement cannot be too soon brought about. There are several Americans in Iquique who are competent for the position, either one of whom would, I judge, take temporary charge of the consulate if asked.

By this mail I write to Mr. Christiancy on the subject. If the Iquique consulate were recognized as being within the supervision of this legation, I would not hesitate a moment to place it in temporary charge of another person, as the minister politely requested I should, but under the circumstances I have deemed it prudent to confer with my colleague at Lima.

I have, &c.,

THOMAS A. OSBORN.

No. 85.

Mr. Hay to Mr. Osborn.

No. 98.] DEPARTMENT OF STATE,
Washington, July 15, 1880.

SIR: Referring to your No. 131, touching your action with respect to the order of the Government of Chili as to the prosecution of the war with Peru and Bolivia, I have to observe that no reply to your note to the foreign office at that juncture has yet been communicated to the Department, and to inquire if any has been received by you, or if any of your colleagues have been since addressed on the subject, so far as you are aware.

I am, &c.

JOHN HAY,
Acting Secretary.

No. 86.

Mr. Evarts to Mr. Osborn.

[Telegram.]

WASHINGTON, *July* 29, 1880.

OSBORN, *Minister, Santiago, Chili:*

Press upon Chilian Government our desire to aid in restoring peace on honorable terms between nations to which we are sincerely and equally friendly. A like instruction is sent to-day to Lima.

EVARTS,
Secretary.

No. 87.

Mr. Evarts to Mr. Osborn.

No. 101.] DEPARTMENT OF STATE,
Washington, July 30, 1880.

SIR: I have to acknowledge the receipt of your dispatch, No. 148, of the 20th May last, in which you inclose a copy of a letter addressed by you to Mr. Christiancy in reference to the prospects of peace between the contending powers on the Pacific coast, and suggesting a method by which the Government of the United States might make its good offices available in the way of mediation. On the 29th instant I telegraphed you as follows:

Press upon Chilian Government our desire to aid in restoring peace on honorable terms between nations to which we are sincerely and equally friendly. A like instruction is sent to-day to Lima.

The Department approves the tenor of your letter to Mr. Christiancy, above referred to, and will so inform that minister by to-day's mail.

I am, sir, &c.,

WM. M. EVARTS.

No. 88.

Mr. Osborn to Mr. Evarts.

No. 155.] LEGATION OF THE UNITED STATES,
Santiago, Chili, August 4, 1880. (Received September 17.)

SIR: I inclose a copy of a letter which I have written to Mr. Christiancy regarding some movements made here by a portion of the European legations, with a view of removing the obstacles to peace, and I beg of you to regard it as a part of this dispatch.

The legations which took part in the movement were those of France, Italy, and Great Britain, but the minister of the latter took but little interest in it and seemed to regard it as futile. There was nothing which indicated even in the remotest degree a disposition on the part of the European powers to dictate terms to Chili, nor was there the slightest evidence of an intention to urge a peace except with the full and free consent of the belligerents. In answer to a suggestion from me, the

Italian minister said quite emphatically that European intervention with force was not to be thought of.

I am not aware that the German minister, Baron von Gülich, was consulted in this matter. He is about to depart for his home in Europe on leave of absence, and I therefore conclude that the German Government has in contemplation no movement of an extraordinary character in this part of the world. I see no reason to hope for an early conclusion of the war. Public opinion here emphatically demands Tarapacá, and I fear that Peru is determined to continue the desperate and apparently hopeless struggle rather than cede it. This fear is based, in part, upon the fact that my suggestions to Mr. Christiancy, under date of May 13, have met with no response from him.

There are some men of influence here who would welcome a peace without exacting the district of territory mentioned, but they see fit to reserve their views to this effect from the public. A successor to President Pinto is to be elected in April next, and the desire of the party in power to continue in control has tended to make of an exceedingly careful administration a timid one. The government is inclined to follow public opinion rather than to attempt to lead it.

The army has been remitted to its strength prior to the late battles in Southern Peru, and I judge that it now contains about 25,000 effective men. Much discontent pervades it at the delay of the government in giving the order to march on Lima. The government is, for obvious reasons, exceedingly desirous of avoiding a campaign against Lima, and will, I judge, for the present occupy the army with expeditions to Northern Peru.

I have, &c.,

THOMAS A. OSBORN.

[Inclosure in No. 155.]

Mr. Osborn to Mr. Christiancy.

LEGATION OF THE UNITED STATES,
Santiago, Chili, July 31, 1880.

SIR: During the present week there has been considerable discussion here among members of the diplomatic corps, and between some of them and the President and his advisers, regarding the difficulties which stand in the way of a peace between these countries. The discussion seems to have originated in the receipt of advices, by some of the European ministers, from their colleagues in Lima, from which it is inferred that President Piérola is desirous of peace, and that he would be willing to enter into negotiations for its accomplishment, even though he might know that it would cost him the province of Tarapacá. I need not say to you that I was not of those who so presented the matter to the government here. The fact that the suggestions upon this subject, contained in my letter to you of May 13, have elicited no response, was strong evidence to my mind that, however much I might wish it otherwise, my friends in the European legations had been misled touching the disposition of Peru. However, be the information well founded or otherwise, by means of the conferences referred to a definite understanding has been reached regarding the basis upon which Chili will consent to enter into negotiations. President Pinto directed that the details of the conferences should be laid before me, and I am, therefore, able to put you in possession of the conclusions reached. I will state them as briefly as possible.

President Pinto is anxious to conclude a peace, and will appoint ambassadors for that purpose, with full powers, when he shall be assured from an authoritative source that President Piérola is alike anxious and that he is desirous of entering into negotiations.

Before arriving at a definite conclusion in the affirmative, however, President Piérola should be fully advised of the conditions which Chili will impose. In consideration of the injuries sustained by Chili, by reason of the war, she will insist upon retaining the province of Tarapacá. No other conditions will be imposed, but she will withdraw from the country now occupied by her army in the neighborhood of Arica, mak-

ing the river Camarones the line of division between the two countries. She will respect private rights in the province mentioned as the same are defined by the authorities on international law regarding territory similarly acquired. Antofagasta and the ports to the north thereof will be made, for the purposes of Bolivian commerce, free ports.

That is all. There is, it is true, quite a sentiment here demanding that other and more severe conditions should be imposed, and I am quite sure that the government will subject itself to much censure if it shall conclude the war on the basis suggested. It is possible that these terms are quite as liberal as the government would dare to subscribe to in the condition in which we find public opinion. President Pinto expresses himself quite averse to the imposition upon Peru of humiliating conditions, and I am convinced that he is disposed to exact no more than the circumstances seem to require. Nothing was said regarding Bolivia, except that she could have free commerce as stated. The disposition of her government does not seem to have been considered.

Now, as to the assurances demanded as to Peru's purposes. What the government here requires, before proceeding with the appointment of ambassadors, is a positive assurance from one or more of the foreign legations to the effect that the Peruvian Government is sincerely desirous of peace and is ready to negotiate as before stated. The authority to give such assurance must be derived, of course, from the conference of their colleagues in Lima with the government there.

If there should be a conference of ambassadors, Chili would not object to its taking place on board a neutral man-of-war at any point on the coast, but Arica would seem to be the most desirable point. If such conference should include all the belligerents, by all means it should take place on an American ship. Some of the European ministers here, who have more faith in this movement than I have, would, I am informed, be pleased to appoint the conference on a European man-of-war.

I still think that mediation suggests the most feasible way out of this difficulty. Now that the allies are to be informed of the terms which Chili will impose, they will be able the more intelligently to consider whether they can be served by mediation or not. I think it highly probable that, through mediation, other and more satisfactory terms, perhaps, could be obtained for Bolivia. On this point, however, I do not speak by authority. * * * Public sentiment here is quite the reverse of hostile to Bolivia, and I infer that the government would welcome a settlement on terms which should promise a lasting peace.

Simultaneously with this will go forward letters from the European ministers to their colleagues in Lima, touching the matters herein discussed. The Italian and French representatives seem to have been the most active in the matter, but I hear the opinion of Mr. St. John, of the British legation in Lima, quoted as a reason for the hope that the Peruvian Government will be found ready to treat on the terms proposed.

Tarapaca has been the bane of Peru, as it will be also, I fear, of Chili if she shall continue to retain it. Congress and the press are already almost exclusively occupied in the discussion of subjects pertaining to it, and it threatens to become a source of serious trouble to the country. Chili makes a great mistake in reaching out for it, in my judgment, on more accounts than one. Peru without it is infinitely better off than with it. It strikes me that Peru has a grand future before her if she can but have peace. She has had many difficulties to contend with in the past, the most of which were the outgrowth of Tarapaca. With that cause removed, she only needs peace to insure her prosperity and greatness.

Very respectfully, &c.,

THOMAS A. OSBORN.

No. 89.

Mr. Osborn to Mr. Evarts.

[Telegram.]

SANTIAGO, *August* 11, 1880. (Received August 13.)

EVARTS, *Washington:*

Chili will accept mediation in form suggested my dispatch May twentieth.

OSBORN,
Santiago.

No. 90.

Mr. Osborn to Mr. Evarts.

No. 156.] LEGATION OF THE UNITED SEATES,
Santiago, Chili, August 12, 1880. (Received September 25.)

SIR: On the 6th instant I received the following telegraphic message, without date, to wit:

OSBORN, *Minister, Santiago:*

Press upon Chilian Government our desire to aid in restoring peace on honorable terms between nations to which we are sincerely and equally friendly. A like instruction is sent to-day to Lima.

EVARTS,
Secretary.

Later in the day I had an interview with President Pinto and Mr. Valderama, the foreign minister, regarding the subject of your message, in the course of which I urged in as strong terms as seemed prudent the propriety of the belligerents calling to their aid in the present emergency the friendly efforts of our government. The President expressed his gratitude for the generous and friendly manifestations by the United States, but spoke of the long distance intervening and the difficulties in the way of communicating between Santiago and Washington, as serious obstacles in the way of mediation. After considerable discussion the President expressed himself satisfied, personally, with the form of mediation suggested by me to the Department in my dispatch No. 148, of the 20th of May last, and said that he would consult his advisers, and inform me as soon as possible if mediation on that basis would be accepted. I was careful to inform him that I was not prepared to say positively that the mode proposed would receive the sanction of my government, but that I trusted soon to hear that my suggestions to that end had been favorably considered.

On the 10th instant I had a further interview with Minister Valderama, and received from him the assurance that mediation in the form suggested would be accepted by Chili. We therefore agreed upon a memorandum of the interviews referred to, a copy of which I inclose.

The minister concurred in my suggestion to the effect that a formal tender of mediation should be deferred until I could be further informed regarding the purposes of the other belligerents, and until advices should be received from Washington touching the proposed manner of proceeding. If, therefore, you have not already instructed me in this matter, it might be well, upon the receipt of this, to do so briefly by telegraph.

On the 11th instant I telegraphed you as follows:

EVARTS, *Washington:*

Chili will accept mediation in form suggested my dispatch May 20.

OSBORN.

I have also written to Mr. Christiancy and to Mr. Adams, informing them of the result of my efforts.

If mediation should take place in the manner suggested, you will not fail to see the importance of having the hearty co-operation of the Navy Department.

A source of some embarrassment to me in this exigency is my seeming lack of reliable information from Peru and Bolivia. I have nothing upon this subject from the legation in Lima later than May 7. The fact that Mr. Christiancy has not deemed it necessary to communicate

with me would seem to indicate that the situation there has remained unchanged.

I have, &c.,

THOMAS A. OSBORN.

P. S.—AUGUST 13. I am just in receipt of a letter from Mr. Christiancy, under date of July 14. He thinks Chili should take the initiative in a movement toward peace. This she has now done in accepting our mediation. The movement suggested might prove a failure, but I believe that if the door to negotiation can once be thrown wide open under the influence of our mediation, eventually a peaceful solution will be reached.

Respectfully, &c.,

OSBORN.

[Inclosure in No. 156.]

Memorandum of conferences.

On the 6th of August, 1880, Mr. Osborn visited President Pinto and Minister Valderama touching the subject of mediation by the United States in the present war, and after some general conversation in which the President expressed himself as desirous of arriving at an early peace, Mr. Osborn read from a telegraphic message which he had received from Mr. Evarts, Secretary of State of the United States, instructing him to press upon the Chilian Government the desire of the United States to aid in restoring peace.

The President expressed his gratitude to the Government of the United States for its kindness, but thought that the great distance intervening and the difficulties in the way of mail communication presented obstacles to prompt action, if mediation should mean a reference of all matters to Washington.

Mr. Osborn replied that he understood that the United States Government was desirous of serving the belligerents in whatever way might seem best calculated to produce the desired result and as might to them seem advisable, but that, anticipating the force of the suggestions of President Pinto in May last, he had written to the government at Washington and to his colleague in Lima suggesting that, if the United States should be called upon to mediate, in his judgment, the best mode of proceeding would be to request the belligerent governments to appoint duly empowered ambassadors to meet at some point on their coast, on board an American man-of-war, and there to confer regarding the settlement of their difficulties in the presence of and with the advice and assistance of such ambassador or ambassadors as the United States Government might designate for that purpose. To his dispatch to the foregoing effect Mr. Osborn stated that he had not yet received an answer, but that he believed his suggestions would prove acceptable to his government. President Pinto and Minister Valderama expressed themselves as satisfied with the form suggested for mediation, and the President, after a conference with his advisers, caused Mr. Osborn to be informed, in another conference with Minister Valderama, on the 10th of August, that the Chilian Government would be pleased to accept the services of the United States Government in the capacity of a mediator in the form by Mr. Osborn suggested.

SANTIAGO, *August* 10, 1880.

No. 91.

Mr. Hay to Mr. Osborn.

[Telegram.]

WASHINGTON, *August* 17, 1880.

OSBORN, *Minister, Santiago, Chili:*

Your telegram received. Instruction sent to Christiancy, asking views of Peru. Your action approved and your earnest attention to the matter urged.

HAY.

No. 92.

Mr. Osborn to Mr. Evarts.

No. 160.] LEGATION OF THE UNITED STATES,
Santiago, Chili, August 26, 1880. (Received October 11.)

SIR: Referring to your instruction No. 83, concerning the destruction by Chilian naval vessels of property belonging to American citizens at Talara, Peru, and at the Lobos Islands, and to my dispatch No. 143 on the same subject, I have the honor herewith to inclose an English translation of a note, with accompanying documents, from the Chilian minister of foreign relations, in answer to one from me dated April 30 last, a copy of which was transmitted to the Department with my No. 152.

It will be seen that the subject of my note was referred to the minister of marine for explanation, and that that officer in turn directed the commanding officer of the Chilian fleet to report touching the matters complained of. The note of the minister of marine embraces a report from the admiral, and is accompanied with a statement from the second officer of the cruiser Amazonas, touching the affair at Talara.

It is alleged in justification of the burning of the launch at Talara that it was entirely abandoned; that it bore evidences of having been used as a coal-hulk, and that the circumstances were such as to warrant the Chilian officials in concluding that it was being used for such purpose by the enemy.

Regarding the affair at Lobos Islands, the admiral says that only such launches were destroyed as belonged to the company engaged in loading guano, and that no indignity was offered to any neutral flag.

No proofs have been received at the legation in support of any claim for damages on account of those affairs, and I have not therefore deemed it necessary to present anything further to the government here on the subject.

I judge that the main purpose of your instruction has been accomplished in the very observable growth of respect for neutral interests in this section.

My note of the 30th of April, referred to, also called the attention of the government to some alleged outrages upon one Campbell, an American citizen, by the Chilian soldiery, at Mollendo, of which subject your instruction No. 90 treated. I am assured by the foreign office that the commanding general of the Army has been directed to make inquiry regarding this affair, but I have no information yet of his having reported thereon.

I have, &c.,

THOMAS A. OSBORN.

[Inclosure 1 in No. 160.—Translation.]

Mr. Valderama to Mr. Osborn.

REPUBLIC OF CHILI, DEPARTMENT OF FOREIGN RELATIONS,
Santiago, July 27, 1880.

SIR: Referring to your note of the 30th of April last, relative to the destruction by the Chilian squadron, at the Lobos Islands and in the inlet of Talara, of certain property belonging to American citizens, I have the honor to place in your hands a copy of a note, with an accompanying document, which the minister of marine has remitted to me.

I approve, &c., &c.

MELQUIADES VALDERAMA.

[Inclosure 2 in No. 160.—Translation.]

Mr. de la Huerta to Mr. Valderama.

REPUBLIC OF CHILI, DEPARTMENT OF MARINE,
Santiago, June 28.

SIR: In answer to your note of the 8th ultimo, I herewith transcribe the report which the commander-in-chief of the squadron has given upon the subject thereof.

"Mr. MINISTER: In compliance with the orders contained in your note of the 14th of May, in which you ask for information regarding some incidents which occurred on the coast of the north of Peru, which have caused a protest from the representative of the United States in Chili, I proceed to give you the explanations of the case.

"The facts to which the honorable minister refers took place in the expedition of the Blanco, the Amazonas, and the Loa, in search of a torpedo-launch belonging to the enemy. On the Peruvian coast, between Paita and Tumbes, was found hidden in a small inlet a launch in very bad condition, completely abandoned, and without any cargo or crew on board. It contained only a few empty barrels, which were considered useless. It was believed that that old and dismantled vessel was being used as a coal hulk by the enemy in their frequent voyages to Panama for the purpose of procuring war material, for which reason its destruction was deemed expedient. I have asked for a report from the second officer of the Amazonas, who destroyed the launch, and he has forwarded me the inclosed, which I herewith transmit. It would be very easy to direct an official investigation of this occurrence, and it will be made if you should deem it necessary.

"Having received orders to destroy the guano-loading appliances at the Lobos Islands as a measure necessary to deprive the enemy of his resources, this measure was carried into effect on the 27th of December, 1879. The only property destroyed were the large launches belonging to the loading company at the islands, the wharves, and platforms. It is, however, true that one or two of the captains of the merchant vessels at first alleged that the launches belonged to them. Subsequently they ackowledged that this was merely a subterfuge on their part to prevent the stoppage of their taking cargo on board. The same attempt was made at Pubellon de Pica, when the Chilian squadron carried into effect the same necessary operation. No act of violence or lack of consideration was perpetrated against neutral flags at the Lobos Islands. Only such launches were destroyed as from their size and condition showed conclusively that they did not belong to vessels.

"It has been a matter of regret to me during the present war that certain captains of neutral merchant vessels, whether from interest or sympathy with the enemies of Chili, in endeavoring to favor them, have sought to ignore the lawful rights of our navy in its hostile operations.

"I think that the foregoing will comply with your excellency's orders as far as I myself am concerned."

All of which I communicate to you for the purposes for which it may serve, inclosing you copy of the report of the second officer of the Amazonas, before referred to.

God protect your excellency.

GARCIA DE LA HUERTA.

[Inclosure 3 in No. 160.—Translation.]

Mr. Valverde to Mr. de la Huerta.

BLOCKADING SQUADRON OFF CALLAO,
June 13, 1880.

SIR: In compliance with your excellency's orders to report upon the destruction of a launch, which was burned by the cruiser Amazonas on her return voyage from Panama in December of last year, the undersigned, who was executive officer on board at that time, has to say:

That on the 24th of December of last year, at 10.30 a. m., upon doubling a point four miles north of Talara, in latitude 4.26 south, longitude 81.16 west, a launch was discovered concealed in a small cove. It was wholly abandoned, and showed no signs of having had a crew on board for a long time previous. It was half full of water, with no cabin on deck or below, without masts or spars, in very bad condition, and had some 50 old empty barrels in the hold. It showed signs of having been used for a coal-hulk, the deck being in very bad condition. The locality where the launch was discovered is some four or five miles to the north of some petroleum wells, which are at Talara. There were no indications of any inhabitants on shore. We discovered

this establishment while steering south at a distance of some five miles, and about an hour after having set fire to the launch, hence there was nobody on the spot who could have explained the fact of this launch being concealed and abandoned at that place, and serving as a coaling station for the enemy's transports in passing by that place on their voyages from Panama while engaged in the transport of arms. Furthermore, the torpedo-launch, which was coming for the enemy, was expected about that time, and it was to be supposed, for the reasons given, that the launch burned was intended for the service of the enemy. From inquiries which we made of one of the English steamers, and of some Italian fishermen who were on board at the time we passed Paita on our voyage to Panama, we knew that the Peruvian Government had no stock of coal at the former place.

The foregoing is all that I have to communicate in compliance with your excellency's instructions.

God protect your excellency.

ERNESTIO VALVERDE.

No. 93.

Mr. Osborn to Mr. Evarts.

No. 161.] LEGATION OF THE UNITED STATES,
Santiago, Chili, August 27, 1880. (Received October 11.)

SIR: On the 20th instant I received the following telegram:

WASHINGTON, *August* 17.

OSBORN, *Minister, Santiago, Chili:*

Your telegram received. Instruction sent to Christiancy, asking views of Peru. Your action approved, and your earnest attention to the matter urged.

HAY.

That the government here might know that my course upon the subject of mediation by the United States in this war had been approved by the government at Washington, and as well for the purpose of still further impressing them regarding your desires in this matter, I immediately caused the President to be informed of the contents of your dispatch. He was in Valparaiso at the time, but it was telegraphed to him in cipher, and he expressed himself in reply as much pleased therewith. It now only needs the consent of the allies to place our movement in active operation.

Upon the receipt of the above message I wrote to Mr. Christiancy at Lima, and to Mr. Adams at La Paz. My communications went north on the steamer which left Valparaiso on the 22d instant, that for Mr. Adams going under cover to the Chilian commanding general at Arica, who was instructed from here to forward it to La Paz by messenger.

I have nothing from either Lima or La Paz since I last wrote you on this subject, but am just now in receipt of a telegram from Consul Foote, at Valparaiso, informing me that Mr. Christiancy arrived there yesterday in the Wachusett, and that he is now on his way to Santiago by rail. I doubt if I shall be able to inform you by the mail steamer which takes this communication of the purposes or results of his visit.

A joint dispatch has been received here by the English, French, and Italian ministers from their colleagues in Lima, dated subsequent to the departure of the Wachusett, forwarded by French corvette to Arica, and thence by cable here, announcing the willingness of the Peruvian Government to appoint an ambassador to confer with one from Chili upon the request of the signers of the dispatch. This is in response to communications to the purport of the inclosure of my No. 155. I am assured that this government would prefer the mediation suggested by

us, and I judge that time will be given us to secure a response from Peru regarding the same. This dispatch may, however, cause us some embarrassment.

I have, &c.,

THOMAS A. OSBORN.

No. 94.

Mr. Osborn to Mr. Evarts.

[Extract.]

No. 163.] LEGATION OF THE UNITED STATES.

Santiago, Chili, September 2, 1880. (Received October 11.)

SIR: Mr. Christiancy has come and gone. The Wachusett, with him on board, sailed from Valparaiso on the 31st ultimo. I shall not presume to deal with his purposes in coming here. His own explanations thereof will doubtless be more satisfactory to the Department than anything that I might be able to offer. He undoubtedly hoped to further the prospects for peace, but I am not sure that his coming has not had a contrary effect. You can well understand that in the present excited condition of the public mind such an event could not occur without causing much commotion. The wildest of speculations have been indulged in regarding it. The politicians have taken hold of it, and if we are to judge from the tone of the press, what seemed easy ten days since regarding the settlement of terms, may yet present some difficulties. "To Lima!" is the popular cry now. Many influential men insist that a peace without going to Lima would prove an empty one, and I fear that this sentiment may gather sufficient strength to force the government to yield.

Personally, I was exceedingly pleased to meet Mr. Christiancy, and his visit was made as agreeable for him as possible. By the President and cabinet, as well as by other distinguished citizens, he was treated with much consideration. He left Lima before the arrival of my letters in reference to the action of Chili concerning mediation, or your telegrams on the same subject, and he was not, therefore, prepared to say what Peru would do. His impressions were, however, that the mediation already agreed to by Chili would be accepted by the belligerents, and he so told President Pinto. Soon after his return to his post I hope to hear that in this his judgment was correct, in which event the conference would be fixed for as early a day as possible, most likely about the middle of October; and it will probably be held on board an American man-of-war at Arica. This point is satisfactory to Chili, and Mr. Christiancy agrees with me in regarding it as the most suitable place.

Anticipating the assent of the other belligerents, this government has already determined upon the appointment of three ambassadors. Unless you shall instruct otherwise, our three ministers will attend as suggested in my dispatch of May 20. If this dispatch should not be delayed in its transmission, a telegram forwarded soon after its receipt would, I judge, reach me here before my departure for Arica, or such other point as may be determined upon for the conference; but I will arrange for the prompt forwarding of all telegraphic dispatches that may arrive during my absence. Upon the completion of the arrange-

ments for the conference I will telegraph you briefly, giving time and place thereof. Arica is in telegraphic communication with this point, and messages can be sent there direct from Washington when the connecting lines are in order.

Now, in conclusion, I venture to express the hope that during the continuance of the war in this section we shall have no more of these visits from our representatives accredited to other belligerent powers. We have had quite as many already as can prove beneficial to a proper understanding of the purposes of our government, and even more, I regret to say, than the preservation of the good name of our diplomatic service has demanded. My letters to Mr. Christiancy have been frequent, and he has had all needed information regarding the situation here. My communication to him of the 13th of May, of which you have a copy, and which constitutes the initiation of the proposed mediation, has elicited no further response than a mere acknowledgment of its receipt. What he could have expected to accomplish in coming here passes my comprehension.

I have, &c.,

THOMAS A. OSBORN.

No. 95.

Mr. Osborn to Mr. Evarts.

No. 164.] LEGATION OF THE UNITED STATES,
Santiago, Chili, September 9, 1880. (Received October 22.)

SIR: Responding to your instruction No. 98, I have the honor to inclose an English translation of a note received by me from the minister of foreign relations on the day of its date. You will observe that it is simply an acknowledgment of the receipt of my note to which your instruction refers concerning the course to be observed by Chili in the prosecution of the war in this section, and an assurance that it should be laid before the President. A similar note was received at the European legations, but no further response has been deemed necessary by this government. I am assured, however, that our respective notes have received that consideration which the gravity of the subject of which they treat demanded, and I am led to believe that they have exercised no small influence in the subsequent conduct of the war. In so far as the naval operations are concerned, I have heard of no cause of complaint since about the first of last January. Unfortunately their land forces are not so easily controlled. I judge that the reports which have gone to the world from Peruvian sources regarding the behavior of the Chilian soldiery at Pisagua, Mollendo, Tacna, and Arica are more or less exaggerated; still it is undoubtedly true that they are not wholly without foundation. The common Chilian soldier is a strong and reckless man, paying but little regard to discipline, and, in battle, a stranger, alike, to fear and to instincts of mercy. He is impatient under restraint, and is too apt to turn a deaf ear to commands which do not conform to his liking. This is the one great fault with the Chilian army—its want of respect for the commands of its officers in battle. The authorities here understand that perfectly, and to this knowledge, in a great degree, is due the hesitation of the government in entering upon the Lima campaign. There is not the slightest doubt entertained here as to the ability of the Chilian army to enter Lima, but it is feared

by the more considerate ones, that once there, the soldiers might be guilty of excesses which would not redound to the credit of their country. The Chilian peon hates the Peruvian as if by instinct, and his hatred is as bitter as it is natural. To this common feeling add the flame which stories of torpedoes and of hidden mines laid for his destruction necessarily produce, and you will be able to comprehend, perhaps, in a modified degree, the spirit which animates the common Chilian soldier in this war.

Preparations for an extensive campaign continue, and unless peace shall come soon, the government will undoubtedly be driven into the movement against Lima. They hope, however, that while satisfying the popular clamor by the preparations which are making, peace may come through the movement which we have been instrumental in initiating, and that they may be saved from the obloquy which the taking of the Peruvian capital might entail.

The government have informed the European ministers that they cannot entertain any proposition regarding peace until they can be informed of the conclusions reached by the allies touching our proposed mediation. I shall expect to hear from Mr. Christiancy and Mr. Adams on this subject in the course of two or three weeks.

I think I see some slight evidences here of apprehension upon the part of the government of armed intervention by the European powers, to the extent of preventing the Chilian army from entering Lima, if that campaign should be undertaken, but my inquiries among my colleagues have failed to develop anything in justification of this fear, further than can be implied from the uncommon interest in behalf of peace now being manifested by the representatives of Great Britain, France, and Italy.

I have, &c.,

THOMAS A. OSBORN.

[Inclosure in Mr. Osborn's No. 164.—Translation.]

Mr. Amunátegui to Mr. Osborn.

REPUBLIC OF CHILI, DEPARTMENT OF FOREIGN RELATIONS,
Valparaiso, February 26, 1880.

SIR: I have had the honor to receive the note which you directed to me, dated the 21st instant, calling the attention of my government to the contents of the communications which the minister of war, in the field, sent on the 28th of January and the 3d of February to the chiefs of the army and of the Chilian squadron with regard to the course to be, by them, pursued in their belligerent operations.

To-day I will lay before his excellency, the President of the Republic, the observations that you were pleased to make concerning said communications.

Limiting myself for the present to an acknowledgment of the receipt of your estimable note, I improve with pleasure the occasion to reiterate to you the sentiments of high consideration with which I am,

Your obedient servant,

MIGUEL LUIS AMUÑATEGUI.

No. 96.

Mr. Osborn to Mr. Evarts.

No. 165.] LEGATION OF THE UNITED STATES,
Santiago, Chili, September 13, 1880. (Received November 4.)

SIR: Responding to your instruction No. 100, I have the honor herewith to inclose an English translation of the note received by me in

February last from the minister of foreign relations regarding an exchange of prisoners with Bolivia, as also a copy of my reply thereto.

My letter upon this subject to the legation in La Paz has not been answered, and no further steps have been taken in the matter either by the Chili Government or by this legation.

I have, &c.,

THOMAS A. OSBORN.

[Inclosure 1 in No. 165.—Translation.]

Mr. Amuñátegui to Mr. Osborn.

REPUBLIC OF CHILI, DEPARTMENT OF FOREIGN RELATIONS,
Valparaiso, February 20, 1880.

SIR: The Government of Chili is desirous of ransoming some soldiers which Bolivia has made prisoners in unimportant encounters that have taken place between the scouts of our respective armies.

At present we have many Bolivian prisoners from which we would give the number necessary to ransom those which they have belonging to us.

Convinced of the benevolent sentiments that animate you, my government has believed that perhaps it could count upon your friendly assistance in bringing about an exchange of all the Chilian prisoners which are in Bolivia for a corresponding number of those which we have in Chili.

In case there should be no objection on your part to assist in carrying into effect this proposition, I would venture to request that you should be pleased to solicit in our name the co-operation of your worthy colleague in La Paz.

As soon as a favorable response shall be received from you, I will be careful to send to you the list of Bolivian prisoners that we now have, so that the exchange can be perfected in La Paz.

I improve the occasion, &c.

MIGUEL LUIS AMUÑÁTEGUI.

[Inclosure 2 in No. 165.]

Mr. Osborn to Mr. Amuñátegui.

LEGATION OF THE UNITED STATES,
Santiago, Chili, February 23, 1880.

SIR: I have the honor to acknowledge the receipt of your esteemed note of the 20th instant, wherein your excellency is pleased to solicit the aid of this legation, as also that of my colleague in La Paz, in securing an exchange of prisoners of war with Bolivia.

Your excellency can rest assured that such aid as it may be in my power to render to your excellency's government in this connection will be most cheerfully given, and I shall avail myself of the first mail which leaves for the north to communicate with the United States legation in La Paz on the subject, pursuant to the suggestion contained in your note.

It is possible, and I fear even probable, that my colleague in La Paz, Judge Pettis, has not yet returned from his home in the United States, whence he went in November last. He expected to return about this time, but I am as yet unadvised of his having reached his post. Nor have I, since his departure ,had any correspondence with his legation, and I am quite ignorant regarding the person in whose hands it has been left. I judge, however, that the legation was placed in charge of some competent person, and that even though my colleague shall not have returned, my communication, upon its arrival in La Paz, will receive proper attention.

With sentiments of the highest consideration, &c.,

THOMAS A. OSBORN.

No. 97.

Mr. Osborn to Mr. Evarts.

No. 167.] LEGATION OF THE UNITED STATES,
Santiago, Chili, September 17, 1880. (Received November 4.)

SIR: The commotion which was produced by the coming of Mr. Christiancy finally culminated in the formal introduction into the house of deputies of interrogatories to the ministry on the 13th instant, and the subsequent presentation of resolutions expressing a want of confidence in the government. The debate which followed has continued through two sessions, and has been exceedingly acrimonious. I inclose two copies of the *Ferrocarril* containing the discussion. You will observe that the ministry has found it difficult to convince some of the members of the house that Mr. Christiancy's visit had no official character.

There seemed to be danger at one time that the resolution expressing a want of confidence in the ministry would be adopted, but I now regard that as improbable. The intervening holidays will prevent a further discussion of the subject until the latter part of next week.

The developments are not as yet sufficient to warrant a conclusion as to whether the progress hitherto made in the direction of peace may or may not have been entirely undone by the coming of my Lima colleague, but it is quite evident that the accomplishment of the end desired has been rendered far more problematical.

I trust you will not fail to observe the statements made in the house on the 14th instant by the Hon. Mr. Huneens, of which an English translation is attached to the paper. Mr. H. was formerly minister of foreign relations, and has especially represented the President in several interviews with me on this subject.

I have, &c.,

THOMAS A. OSBORN.

[Inclosure in No. 167—Translation.]

Statement made to the Chilian chamber of deputies by Mr. Huneens.

In view or the participation, which as a private citizen I have had the honor to take in the matter now occupying the attention of the house, I feel it to be my duty to correct some of the statements made by the Hon. Mr. Rodriguez with regard to the visit of the Hon. Mr. Christiancy, minister plenipotentiary and envoy extraordinary of the United States at Lima. I feel myself authorized to do so by my distinguished friend, Hon. T. A. Osborn, minister plenipotentiary and envoy extraordinary of the United States.

I now, therefore, state in the most emphatic and unequivocal manner—

1st. That Mr. Christiancy came to Chili with no mission whatever from Mr. Piérola, and that he has submitted no proposals whatever for peace on behalf of the Government of Peru.

2d. That Mr. Christiancy has not asked for any proposals for peace from our goverment.

3d. That Mr. Christiancy came to Chili simply for the purpose of conferring with Mr. Osborn, in obedience to instructions from his government, with regard to certain questions that have occupied the attention of the Cabinet at Washington.

In view of what may hereafter occur, I ask that the foregoing statement be placed on the minutes.

No. 98.

Mr. Evarts to Mr. Osborn.

[Telegram.]

WASHINGTON, *September* 28, 1880.

OSBORN,
Minister, Santiago, Chili:

Proceed as proposed, if belligerents accede. Instructions to our vessels when you telegraph for them.

EVARTS,
Secretary.

No. 99.

Mr. Osborn to Mr. Evarts.

No. 169.] LEGATION OF THE UNITED STATES,
Santiago, Chili, September 30, 1880. (Received November 16.)

SIR: I send you by to-day's mail an extra copy of each of the newspapers inclosed with my No. 167, containing a part of the debate in the house of deputies which grew out of the visit of Mr. Christiancy, and also two copies each of three dates of the same publication containing the remainder of the discussion. You will see that on the 25th instant, after a full and explict statement by Mr. Recabárren, the minister of the interior, regarding the purposes of the government in conducting the war, the resolution of censure was withdrawn and the house passed to the order of the day. It will also be noticed that the government stands committed to the country to a vigorous prosecution of the war. This is understood here to mean that a more aggressive policy has been resolved upon, and that unless Peru shall exhibit a disposition to arrive at peace the war is to be prosecuted with all possible energy, to the end that terms may be dictated to her at her capital. The minister, however, did not place the government in a position of direct antagonism with its former attitude regarding our proposed mediation, and I still hope for a good result therefrom.

Mr. Christiancy has telegraphed me by way of Arica that the allies have accepted our proposed mediation, but I have found it necessary to communicate with him further before addressing this government formally on the subject, because of the various conditions which appear to attach to such consent.

In his last message Mr. Christiancy intimates that Peru may possibly withdraw its consent unless Chili shall agree to an armistice. He adds that if the campaign against Lima should be prosecuted during the negotiations our government would be placed in an "ignominious position," and says in effect that the conference would have to be abandoned.

Six weeks ago there would have been little difficulty in obtaining Chili's consent to at least a qualified armistice during the sitting of the conference, but I much doubt if the government will be prepared to agree to this now. The campaign against Lima cannot, however, be undertaken before the middle of November, but of this I could not speak to Mr. Christiancy by telegraph, and have simply advised him that the conference ought to be held as hitherto contemplated. If the allies are

sincerely desirous of availing themselves of our suggested movement for the purpose of closing the war, there is abundant time in which to accomplish that result ere the Lima expedition is ready to move.

By what sort of reasoning Mr. Christiancy has reached the conclusion that the prosecution of hostilities, pending negotiations, would tend to render the position of our government "ignominious" I fail to comprehend. An armistice would be desirable, doubtless, but a refusal to agree to it certainly would not bear the construction which my colleague seems disposed to give it.

If our assistance had been solicited by the belligerents there might, perhaps, be some ground for his conclusion, but in the actual situation it seems to me plain that there is none. The opinion here is quite general that the Piérola government will not yield to the demands of Chili until it shall be absolutely driven thereto, and there are some high in official position who regard its so-called consent to mediation as a subterfuge for the purpose of obtaining time. In view of this, you will not be surprised, I am confident, if all efforts to secure an armistice shall prove abortive.

The destruction of Chimbote and other places in Northern Peru may be accepted as an indication of the character of the change in the policy of the government. It is claimed in justification of this expedition that the resources of the Peruvian Government are being derived from the rich sugar plantations north of Callao, and that the destruction of these estates has therefore become a necessity. It is further urged that the men of wealth in Peru must be made to experience some of the horrors of war, to the end that the government may be forced to sue for peace.

I judge that the instructions to Captain Lynch, the commander of the expedition, have been quite explicit in requiring that the property of neutrals should not be molested, and the information which reaches me from the north induces the belief that he has been careful in this regard.

I have, &c.,

THOMAS A. OSBORN.

No. 100.

Mr. Osborn to Mr. Evarts.

[Extract.]

No. 171.] LEGATION OF THE UNITED STATES,
Santiago, Chili, October 6, 1880. (Received November 16.)

SIR: I inclose two copies of a newspaper containing a discussion in the house of deputies yesterday, concerning the note of the Peruvian minister of foreign relations, of September 14,* to Mr. Christiancy, upon the subject of mediation. You have undoubtedly been furnished with a copy of the note by the legation at Lima, and it is therefore unnecessary that I should here include it.

You have not failed to notice, I judge, that the minister, in the first lines of his note, says that Mr. Christiancy has informed him that he (Mr. Christiancy) had visited Chili for the purpose of proposing to this

*For note of minister for foreign affairs of Peru, see inclosure Mr. Christiancy's No. 194, September 17, 1880, document No. 279. The debate in the house of deputies being quite lengthy, and in the Spanish language, is omitted, but will be submitted if deemed necessary.

government the mediation of the United States, and that such tender had been accepted. I cannot doubt that the minister misunderstood Mr. Christiancy, but I beg you to read the remarks of Mr. Balmaceda and Mr. Alemparte in this connection. You will bear in mind that on the very day of the date of the note referred to, the government here, in justifying themselves before Congress, were engaged in asserting that Mr. Christiancy's visit had no official significance. See my No. 167, with inclosure.

In view of the embarrassment which this affair has caused this government, I am more than astonished that I have not been advised that this government has deemed it prudent to proceed no further in the matter of the mediation.

I have, &c.,

THOMAS A. OSBORN.

No. 101.

Mr. Osborn to Mr. Evarts.

No. 172.] LEGATION OF THE UNITED STATES,
Santiago, Chili, October 8, 1880. (Received November 16.)

SIR: I inclose my final note to the minister of foreign relations tendering formally the good offices of the United States, and also his reply thereto. You will observe that the minister has deemed it prudent to remove all doubts touching the effect which the acceptance of mediation is to have upon the prosecution of hostilities.

Mr. Christiancy is at Arica, and I shall probably leave for that point to-morrow, in company with the Chilian ministers.

I have, &c.,

THOMAS A. OSBORN.

[Inclosure 1 in No. 172.]

Mr. Osborn to Mr. Valderrama.

LEGATION OF THE UNITED STATES,
Santiago, Chili, October 6, 1880.

SIR: Your excellency is aware that on the 6th of August last, I approached the honorable President of the Republic of Chili, for the purpose of learning if the Government of Chili would be disposed to enter into a conference with ministers from the other belligerent republics in the present war with a view of arriving at an honorable peace, under the mediation, in the form of good offices, of the United States. Your excellency was pleased to inform me, in our interview of the 10th of August, that the Government of Chili would accept the good offices of the United States, as suggested, if Peru and Bolivia should upon their part signify their acceptance of the same.

The conditions indicated by your excellency, in the interview referred to, having been complied with, I now have the honor to offer formally to the government of your excellency, the mediation of the Government of the United States to be exercised in the manner proposed.

The form suggested by me in the interview referred to, contemplates the holding of a conference of duly empowered ministers of the three belligerent republics on board an American man-of-war at Arica, in the presence and with the friendly aid and assistance of the representatives of the United States to the belligerent republics.

With sentiments, &c.,

THOMAS A. OSBORN.

[Inclosure 2 in No. 172.—Translation.]

Mr. Valderrama to Mr. Osborn.

REPUBLIC OF CHILI, DEPARTMENT OF STATE,
Santiago, October 7, 1880.

SIR: I have received your excellency's note under date of yesterday. In it your excellency, after recalling the steps taken for the purpose of ascertaining whether my government was disposed to enter into a conference of peace with the other belligerents, through the mediation of the kindly offices of the United States, and also further recalling the favorable disposition manifested by my government in case Peru and Bolivia should accept on their part a similar suggestion, your excellency notifies me that, this having been done, the time has now arrived to make a formal tender of the mediation of the United States to the Government of Chili, as you now do.

Having laid your excellency's note before the President, he directs me to transmit to your excellency the expression of his gratitude for the great interest which the United States has shown in its endeavors to restore peace between Chili and the allied republics.

My government accepts the formal mediation and kindly offices that your excellency offers on behalf of the United States, and also further accepts the suggestions made by your excellency as to the manner of carrying it into effect.

It is nevertheless my duty here again to repeat, in order to avoid all ambiguity or doubt, that this acceptation does not imply a suspension of hostilities.

I avail myself, &c.

MELQUÍADES VALDERRAMA.

No. 102.

Mr. Evarts to Mr. Osborn.

No. 109.] DEPARTMENT OF STATE,
Washington, October 14, 1880.

SIR: Your dispatch, No. 163, of the 2d ultimo has been received. You therein report the visit of Mr. Christiancy to Santiago, on board the Wachusett, and the steps taken by him and you in favor of bringing about a conference at Arica, in the interests of an honorable termination of the present disastrous war.

Dispatches subsequently received, through the Navy Department, from the commanding officer of the Wachusett, under date of September 18, indicate the partial success, at least, of your and Mr. Christiancy's efforts to this laudable end, and these reports are further confirmed by a telegraphic dispatch received from you on the 12th, in the following words:

EVARTS, *Washington:*
Sail for Arica to-day, 9th.

OSBORN, *Valparaiso.*

The proposed conference being, so far as the Department can perceive at this distance of time and place and from the information before it, in conformity with its views and with previous instructions, it has not been thought necessary to send you any modificatory telegraphic orders, such as you seem to suggest in your present dispatch. The full advices of yourself and Mr. Christiancy with respect to the conference are necessarily awaited before the Department can be in a position to judge how far its instructions have been correctly and successfully carried out.

I am, &c.,

WM. M. EVARTS.

No. 102½.

Mr. Osborn to Mr. Evarts.

[Telegram.]

LEGATION OF THE UNITED STATES,
Santiago, October 28, 1880. (Received October 31.)

EVARTS, *Washington:*

Conference closed without result.

OSBORN.

(Sent from Arica.)

No. 103.

Mr. Osborn to Mr. Evarts.

No. 173.] LEGATION OF THE UNITED STATES IN CHILI,
ON BOARD THE UNITED STATES SHIP LACKAWANNA,
In the bay of Arica,
October 28, 1880. (Received December 6.)

SIR: On the 9th instant, as I was about to take the steamer for this place, I telegraphed you from Valparaiso that fact. My reason for not being more explicit in reference to the meeting of the conference was that I had received a telegraphic message from Judge Christiancy announcing that Peru had determined that a change in the place of holding the same was necessary. I had already, as you are aware, formally invited the Chilian Government to send its ministers to Arica, and when I consulted them regarding a change of place as demanded by Peru I found them determined to insist upon the point already named. I informed Judge Christiancy by telegraph of this fact, and on receiving his reply urging me, notwithstanding this difficulty, to come to Arica with the Chilian ministers, took passage on the mail steamer for this place. Upon my arrival, on the 17th instant, I went on board the United States ship Lackawanna anchored in the bay, where I found Ministers Christiancy and Adams. The Peruvian ministers were still at Mollendo, but they were finally prevailed upon to extend their voyage to Arica, and on the 22d the conference was opened on board the Lackawanna.

At the first session Chili presented, through her ministers, a memorandum* indicating the basis upon which she would consent to terminate the war. It is unnecessary that I should here include a copy of this paper, as it will be found with the official proceedings of the conference. For the present purpose it is sufficient to state that, among other conditions, it demanded from Peru the cession of the province of Tarapacá.

The allied ministers took the memorandum with them for consideration; and in the conference, which was held on the 25th instant, Mr. Arenas, in behalf of Peru, replied at some length, in the course of which he said that the demand which had been made concerning Tarapacá presented an insurmountable obstacle to the conclusion of a peace. The Chilian ministers replied that their instructions made this demand necessary, and that it would be useless to talk of peace upon any other

* For memorandum, see inclosure with Mr. Christiancy's No. 198 of October 24, 1880, document No. 282.

basis. This practically put an end to the conference. The allies proposed arbitration, it is true, but, in view of the situation, it could hardly have been expected that the suggestion would meet with a favorable reception.

As you know from my dispatches, the only basis upon which Chili was disposed to negotiate involved the cession by Peru of Tarapacá, and my fear latterly has been that the government might even be forced to recede from its position in this respect. When Mr. Christiancy was in Santiago he was quite confident that Peru would be found ready to conclude a peace upon this basis, and he so told President Pinto. It was with some surprise, therefore, that I listened to the emphatic declaration of Mr. Arenas that this condition presented an "insurmountable obstacle" to a happy termination of the negotiations. Every effort was made to induce the Peruvian ministers to present a counter-proposition, in the hope that finally an acceptable basis might be reached; but without avail. They saw fit to rest with the declaration already made, and with this, as before stated, the negotiations were practically ended.

The unhappy termination of these attempts is deeply to be deplored, the more so in that it leaves no ground to hope for peace until either Peru or Chili shall acknowledge its defeat and sue for terms. This, at least, is the present aspect of the situation as it appears to me.

I have telegraphed you to-day as follows, to wit:

EVARTS, *Washington:*
Conference closed without result.

OSBORN.

Preparations for the expedition to Lima are being carried forward with all possible haste, and I judge that ere the receipt of this the Chilian army will have landed in the vicinity of Callao.

I shall leave here to-morrow on the mail steamer for Santiago, and upon reaching my post shall probably have some further observations to make concerning our efforts, and the effect thereof. I can see nothing, at present, to warrant an apprehension of armed intervention by the European powers, but I will be able, perhaps, to express myself more intelligently upon this point from Santiago.

Very respectfully, &c.,

THOMAS A. OSBORN.

No. 104.

(Copy handed to Mr. Evarts by Mr. Asta-Buruaga, January 6, 1881.)

Mr. Valderrama to Mr. Asta-Buruaga.

[Translation.]

REPUBLIC OF CHILI,
MINISTRY OF FOREIGN RELATIONS,
Santiago, November 11, 1880.

In a separate note I acquaint you with the result of a conference held at Arica by reason of the mediation which the Government of the United States of North America was pleased to offer to the belligerents.

Although the result of those conferences has not borne out the noble object which the Government of the United States had in view, the sentiment of sincere gratitude which its fraternal and elevated policy

has awakened in the Government and the people of Chili is none the less lively.

I must likewise add that its noble policy has been faithfully and ably interpreted by the Hon. Mr. Osborn in all this negotiation, and that the delicate tact, rectitude of views, and elevated spirit of which he has given unmistakable proof, have strengthened the confidence and esteem with which from the first he has inspired this government and country.

You will take an early opportunity of signifying these sentiments to the Government of the United States, leaving a copy of this dispatch if any suggestion be made in that sense.

May God guard you.

MELQUÍADES VALDERRAMA.

To Don FRANCISCO S. ASTA-BURUAGA,
Envoy Extraordinary and Minister Plenipotentiary of Chili in the United States.

No. 105.

Mr. Evarts to Mr. Osborn.

[Telegram.]

WASHINGTON, *November* 19, 1880.

You are authorized to unite with your colleagues in pressing upon Chili the adoption of the measures agreed upon in a diplomatic conference at Lima for securing the lives and property of neutrals when Lima is attacked. This authority is to be used only in case these measures are approved by Christiancy and yourself as within neutral policy, and this concurrent representation seems to you useful.

You are also authorized to join in asking a direct answer from Chili, if in your judgment the requirement is justified by the situation. Telegraph your action.

EVARTS,
Secretary.

No. 106.

Mr. Valderrama to Mr. Asta-Buruaga.

[Translation.]

Confidential, No. 29.] REPUBLIC OF CHILI,
MINISTRY OF FOREIGN RELATIONS,
November 22, 1880.

SIR: In a separate note I acquaint you with the result of the conference of Arica, which took place through the medium of the friendly co-operation of the Government of the United States.

This result cannot have been satisfactory, I am convinced, to that government, which had desired, as that of Chili desired, that its intervention in this delicate matter should have been accompanied by the most complete results.

For this reason I consider it necessary to set forth to you, in all frankness, the causes which induced the Government of Chili to accept the good offices of the United States, in the conviction that its noble efforts would not be barren of result.

My government very well realizes the important part which the policy of the United States justly plays in the international movements of the whole world. But before accepting its high mediation in the affairs of the Pacific, it was thought proper that the necessary precautions should be taken, in order to feel assured that its good offices would reach the desired result. With this purpose in view, my government was careful to express, with all frankness, that it could not for its part arrive at a peace without the cession by Peru and Bolivia of the territories which extend to the south of Camarones as an equitable compensation for the enormous expenses and sacrifices which have been demanded of it by the present war.

This same declaration was made by his excellency the President of the Republic, to Mr. Christiancy, in the presence of Mr. Osborn, when the former came from Lima, toward the end of August last. His excellency the President stated moreover to Mr. Christiancy, on that occasion, that his demand in this respect was absolute and final, so that it would be futile to take any steps in the direction of realizing the projected conference suggested by the Government of the United States without first obtaining the assurance that the allied governments would accept the prior condition proposed.

Mr. Christiancy, who came from Lima, and who, it was natural to suppose, would be impressed by the views of the Peruvian Government, declares in the most unmistakable and positive manner that he was persuaded that the Government of Peru would agree to the cession of territory which Chili demanded, and that therefore the conference would yield the peaceful results which the United States aimed at.

Although Mr. Christiancy was not accredited to my government, he did not for that reason cease to be a representative of the United States, in whose affirmations faith should be reposed, in view especially of the great importance of the affair which gave rise to them.

In naming its plenipotentiaries, my government confided in the assurances given by Mr. Christiancy, and cherished well-founded hope that the conference would give a happy result.

You are already aware that Peru refused absolutely any cession of territory, and that the result of the conference did not correspond to the assurances of Mr. Christiancy.

My government considers that it could not better respond to the fraternal spirit of which the United States have given it such proofs than by declaring with sincerity, as it now does, that the failure of this conference is in no wise to be imputed to any action on the part of Chili.

I desire that you will seek a fitting occasion to give to the Government of the United States confidential knowledge of this dispatch.

May God guard you.

MELQUIADES VALDERRAMA.

No. 107.

Mr. Valderrama to Mr. Asta-Buruaga.

[Translation.]

Confidential No. 30.] REPUBLIC OF CHILI,
MINISTRY OF FOREIGN RELATIONS,
Santiago, November 22, 1880.

SIR: Referring to the dispatch of this date, No. 29, I think it opportune to make mention of other facts connected with the strange attitude

assumed by Mr. Christiancy during the preliminary negotiations which preceded the holding of the conference of Arica.

You know that in our country, as in Peru and Bolivia, the national sentiment is extremely susceptible, and is profoundly affected by any act or demonstration which is capable of being regarded as a disregard, even though involuntary, of the considerations due to the national dignity.

Knowing these sentiments, the Government of the United States endeavored with great delicacy to learn privately, and through the medium of its respective diplomatic agents, what would be the disposition of the belligerents respecting the acceptance of the mediation of the United States.

The spirit which led it to proceed in this manner was most obvious; on the one hand, a desire to be assured of the success of its conciliatory attempts, and, on the other hand, to find itself in a condition to make simultaneously to the belligerents the formal offer of its mediation. In this way it perfectly safe-guarded the natural delicacy of the three countries.

In the high character of mediator and common friend which the United States proposed to assume, it became an object of especial attention to treat the belligerents with identical consideration. It was therefore indispensable that the necessary precautions should be taken so that no one of them should appear as taking the first step toward asking or seeking for peace.

Mr. Osborn seconded most faithfully, in our judgment, the noble policy of his government. The 5th of August last, he began by inquiring privately, in an interview, what would be the disposition of my government with respect to the mediation which the United States proposed to offer.

The reply given on the 10th of the same month informs Mr. Osborn that Chili would have no objection to accepting it, provided that it had the assurances of equal acceptance on the part of the allies.

Two months later, that is to say, on the 6th of October, Mr. Osborn, for the first time, offered to my government, as you may see by the accompanying copy No. 1, the formal mediation of the United States, and on the 7th, as appears in copy No. 2, he received the reply in which the Government of Chili informed him that his offer of mediation was accepted on our part.

Meanwhile, in the time which elapsed between the conversation held with Mr. Osborn, in the early part of August, and the formal offer of meditation which was made in the beginning of October, Mr. Christiancy thought it proper to come from Lima to Santiago, where he remained several days, toward the end of August, in order to be able to return in safety to that capital. The unexpected appearance of Mr. Christiancy in Chili could not fail, however, to attract attention, causing the very general impression that the sudden voyage of the American minister was intimately related to the question of mediation.

The disquietude which was occasioned expressed itself in Congress, wherein my government was interpolated touching this matter, about the middle of September.

The government responded, stating what had theretofore occurred in the premises, that is to say, that there did not exist any formal proposal of meditation, since there had merely been exchanged with the minister of the United States, Mr. Osborn, certain views in a private form concerning the projected office of mediation.

A few days later the journals of Lima published a note from the for-

eign minister of Peru, dated the 14th September, and addressed to Mr. Christiancy. In this note occurred the following:

Informed by you concerning your voyage to Santiago de Chili, to which place you had gone with the object of proposing to the government of that republic the mediation of the United States of America, in order to negotiate a peace with Peru and Bolivia, a mediation which had been accepted by Chili, in virtue whereof you proposed it to my government, the latter resolved, after conferring with the minister plenipotentiary of the republic of Bolivia, to accept the offered mediation, &c.

It is seen, therefore, by the paragraph I have quoted, that at the same time that my government declared, toward the middle of September, in the chamber of deputies, that up to that time the mediation in question had not been formally accepted, nor even officially offered, Mr. Christiancy was affirming, in his turn, to the Government of Peru, that he had come to our country for the purpose of offering it to my government, and that in view of the acceptance given by this government, he made a like offer to the government of that republic.

The affirmations made by my government before one of the branches of the legislative body, and the affirmations of Mr. Christiancy to the Government of Peru, are altogether irreconcilable.

It does not appertain to me to qualify herein the motives which Mr. Christiancy may have obeyed in making such a declaration. My purpose is simply limited to setting upon record that the affirmations of my government rested faithfully upon the truth.

Mr. Christiancy did not present to my government credentials authorizing him to act either in respect of the projected mediation or in respect of any negotiation whatever. He was, therefore, in our country simply as a distinguished guest, and in no wise as the authorized organ of the Government. If Mr. Christiancy had made, as he affirms, the offer of mediation, my government would have found itself under the painful necessity of rejecting such offer, because it did not conform to the usual practices between two nations; neither would it have been natural for the Government of the United States which, with such delicate tact, had put forth its conciliatory efforts, to have set aside its official representative in Chili, Mr. Osborn, in order to confide the continuation of this delicate business to a simple visitor, worthy of all respect, but lacking towards us the representative character.

These well founded considerations led my government to think that perhaps the note of the foreign minister of Peru might not faithfully express the ideas of Mr. Christiancy, and it has awaited until now, but in vain, a correction on the part of that high functionary, which would re-establish the truth of the facts.

Subsequently there came to the hands of my government a note which the same Mr. Christiancy deemed it proper to address to Mr. Lynch, chief of the Chilian expedition operating upon the north of Peru, and that note has confirmed, to a certain extent, the ideas which the minister of Peru attributes to Mr. Christiancy with respect to the form in which the mediation was offered. I inclose herewith, in copies designated as numbers 3, 4, and 5, the note of the minister of Peru to which I have made reference, and also the dispatches exchanged between Mr. Christiancy and Mr. Lynch. It is not for the present a part of my purpose to take note of the proceeding employed by the minister of the United States in addressing himself to a military employé of Chili, for the purpose of making representations to him, which, from the high source from which they emanated, might induce the chief of our forces to deviate from the instructions of his government. My purpose at this time is

simply to inform you with precision of the various steps which preceded the conference of Arica.

You will take an opportunity to express these facts to the Government of the United States in confidential form.

May God guard you.

MELQUIADES VALDERRAMA.

[Inclosure No. 1.—Translation.]

*Mr. Osborn to Mr. Valderrama.**

LEGATION OF THE UNITED STATES,
Santiago de Chili, October 6, 1880.

SIR: Your excellency is aware that on the 6th of August last I approached the honorable President of the Republic of Chili with a view of learning whether the Government of Chili was disposed to enter into a conference with the ministers of the other belligerent republics in the present war, in order to reach an honorable peace under the mediation in the shape of good offices of the United States. Your excellency was pleased to inform me, in our interview of the 10th of August, that the government of Chili would accept the good offices of the United States in the suggested form, if Peru and Bolivia signified on their part their acceptance of this idea.

The conditions indicated by your excellency in this interview having been complied with, I now have the honor to offer formally to the government of your excellency the mediation of the Government of the United States, in order that it may be exercised in the proposed manner.

The form which I suggested in the interview alluded to had in view the celebration of a conference of the ministers duly authorized of the three belligerent republics on board of an American vessel of war, at Arica, in the presence and with the friendly aid and assistance of the representatives of the United States near the belligerent government.

With sentiments of high consideration I have the honor to be, sir, your excellency's most respectful and obedient servant,

THOMAS A. OSBORN.

[Inclosure No. 2.]

Mr. Valderrama to Mr. Osborn.

MINISTRY OF FOREIGN RELATIONS,
Santiago, October 7, 1880.

SIR: I have received the note which you were pleased to address to me under date of yesterday. After recalling therein the steps you have taken with a view to ascertaining if my government were disposed to enter upon the peace conference with the other belligerents under the mediation in the form of good offices of the United States, and recalling, also, the favorable disposition shown by my government provided that those of Peru and Bolivia should accept on their part a like suggestion, you inform me that this condition having been already complied with, the time has come to offer formally to the Government of Chili, as you now do, the mediation of the United States.

His Excellency the President of the Republic, to whose knowledge I have brought your dispatch, has charged me to convey to you the expression of his gratitude for the noble interest with which the Government of the United States endeavors to bring about the restoration of peace between Chili and the allied republics.

My government accepts the mediation in the form of good offices which you offer to me in the name of the United States, likewise the proceeding, which you suggest to carry it into effect.

I must before all, repeat here, in order to avoid doubts and ambiguities, that this acceptance does not involve the suspension of all hostilities.

I improve this opportunity to renew to you the sentiments of high consideration with which I have the honor to subscribe myself.

MELQUIADES VALDERRAMA.

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*For the original English version of this note see inclosure to Mr. Osborn's dispatch No. 172, dated October 8, 1880, document 101.

[Inclosure No. 3.—Translation.]

Mr. Barinaga to Mr. Christiancy.

DEPARTMENT OF FOREIGN RELATIONS AND WORSHIP,
Lima, September 14, 1880.

Mr. MINISTER: Informed by your excellency respecting your voyage to Santiago de Chili, to which place you went for the purpose of proposing to the government of that republic the mediation of the United States of America, in order to negotiate peace with Peru and Bolivia, which mediation had been accepted by Chili, and in virtue of which you proposed the same to my government, the latter decided, after conferring with the minister plenipotentiary of the Republic of Bolivia, to accept the offered mediation solely in deference to the Government of the United States, and notwithstanding that the motives of the war declared by Chili, which took Peru by surprise, and the manner in which it has been conducted from the first had convinced us how far Chili was from the path of moderation and justice, the sole path in which peace is possible, as I had the honor to say to you in a verbal conference on this business.

The acts which the Chilian forces have, notwithstanding, done at more than 100 leagues from our army, and from any objective military point, acts of pillage, incendiarism, devastation, and all manner of outrages against private property of natives and foreigners, especially after having accepted the mediation of the government of your excellency, if not compatible with the consideration which is due to the friendly mediator, cannot but confirm that presumption, awakening a spirit of indignation difficult to control. My government confines itself to expressing that sentiment, leaving to that of your excellency and to your excellency yourself the due appreciation of such conduct. My government thinks that if the love of peace and the consideration which it feels for the government and people of the United States can decide it, notwithstanding the evident justice of its cause and its complete confidence in the final result of the war, and the injuries and losses sustained, to enter upon negotiations for peace, it is natural that such motives should be entirely destroyed by the actual and melancholy evidence that we are contending with those who in such manner violate the laws of civilization and the respect which cultured people owe to themselves.

It is pleasing to me to avail myself of this opportunity to offer to your excellency my considerations of especial esteem.

MANUEL A. BARINAGA.

[Inclosure No. 4.—Translation.]

*Mr. Christiancy to the commander of the Chilian forces.**

LEGATION OF THE UNITED STATES,
Lima, Peru, September 13, 1880.

SIR: I have just arrived from Santiago, where, in company with the American Minister, Mr. Osborn, I had a full and free conference with the government of Chili, which has accepted the mediation of the United States, in order to negotiate peace with Peru and Bolivia. I am now authorized to say that Peru accepts such mediation and that the negotiations for peace will be immediately undertaken. When I conferred with the government of Chili I was not authorized to say that Peru would accept the mediation of the United States, but now I am authorized to say that Peru accepts it and that the ambassadors of all the belligerents will meet for this purpose in the early days of the coming month of October.

I do not interfere, nor can I pretend to interfere, with the instructions which you may have from your government concerning the steps which you have been ordered to take, but I hope that you will appreciate my representations, and those of the government which I represent, which is equally the friend of all the belligerents, if I suggest to you that, in so far as your orders permit, it would be prudent and would contribute to obtain a speedy peace and avoid all destruction and causes of irritation which may not be rendered obligatory by the orders you have; and I permit myself to add that there is a very marked sentiment, as I know, among the ministers of the foreign governments, both here and in Santiago, against the destruction of purely private property which is not demanded by the military necessity of attacking the armed forces of the enemy and against accepting contributions from them, and especially because such destructions may be committed or such contributions imposed upon the private property which is known to belong to the citizens of friendly and neutral nations, and from which proceedings, as you will readily comprehend, may arise many complications and complaints. The government of Chili

* For the original English version of this note see inclosure to Mr. Christiancy's dispatch No. 194, dated September 17, 1880, Document 279.

will be immediately informed that Peru has accepted the friendly mediation of the United States, and of its readiness to enter upon negotiation upon such auspices.

If I had been able, when I was in Santiago, to assure the government of Chili of the readiness of Peru to enter upon negotiations in which Chili should take part, I would feel inclined to believe that if the Chilian expedition had been about to depart it would have been under orders somewhat modified and less severe than those which you now probably have, but I cannot ask you to adopt my opinion, and recognize entirely the fact that you must act in view of your own judgment of the circumstances and as the orders of your government demand.

Permit me to conclude by expressing to your excellency the respect and high consideration with which I subscribe myself your excellency's friend and obedient servant,

I. P. CHRISTIANCY.

[Inclosure No. 5.—Translation.]

Mr. Lynch to Mr. Christiancy.

HEADQUARTERS OF THE CHILIAN DIVISION IN THE NORTH OF PERU,
On board the Itata, September 17, 1880.

SIR: I have had the honor to receive your polite notes of the 13th and 14th instant, in which your excellency is pleased to bring to my knowledge the laudable efforts which have been made towards the belligerent governments for the purpose of bringing about an honorable peace between them, through the medium of the mediation of the Government of the United States, of which your excellency is the worthy representative at Lima.

Your excellency, in making known to me what has been done to that end, and what is hoped for from the good offices (of the United States) has been pleased to indicate to me the conduct, which in your judgment, I should follow in the military operations which my government has confided to me, in view of the good will with which the belligerent governments have accepted the mediation of that of your excellency.

It would have been very gratifying to me, Mr. Minister, to accept your manner of thinking if I had not been informed to-day by the commanding officer of our squadron, that the government of Peru is continuing its operations against the vessels of the Chilian navy.

The repetition of such insidious attempts on the part of that government, at the time when your excellency assures me of the desire it expresses to negotiate for peace, convinces me that its purpose is not genuine.

For this reason I see no well-founded motive for suspending the military operations which have been confided to me in the absence of a special instruction from my government.

So far as concerns respect for the property of neutrals which, your excellency is pleased to recommend to me in the notes, which I have the honor to answer, your excellency may rest assured that I will proceed in conformity with the prescriptions of international law.

In conclusion, I beg your excellency to accept the high esteem with which I subscribe myself your obedient servant,

PATRICIO LYNCH.

No. 108.

Mr. Osborn to Mr. Evarts.

No. 181.] LEGATION OF THE UNITED STATES,
Santiago, Chili, November 23, 1880. (Received January 3, 1881.)

SIR: I have the honor to inclose a copy of a circular note addressed by this government to the diplomatic representatives in Santiago, explanatory of Chili's purposes in the war in which she is engaged, as also an English translation thereof.

The government evidently fears that the discussion in the Arica conference may have left an impression that in exacting Tarapacá as a con-

dition for peace, Chili has proclaimed the right of conquest, and the minister's note seems to be directed mainly to the removal of any such belief. It is insisted, as you will observe, that the territory mentioned was demanded as indemnity for damages sustained by Chili because of the war-damages which, it is claimed, Peru is powerless to liquidate in any other way.

The minister also touches upon the proposition made by the allies in the conference to submit the questions in dispute to the arbitration of the United States, justifying the action of his government upon the ground that the results of the war have given to Chili certain rights which cannot well be determined in the manner proposed. As I have heretofore written to you, my judgment is that the proposition for arbitration was not made with the expectation that it would be seriously entertained. Had the reverse been true, I assume that it would have been submitted in some practicable form, rather than in the intangible shape in which we find it.

I have, &c.,

THOMAS A. OSBORN.

[Inclosure 1, in No. 181.—Translation.]

Chilian circular to the foreign representatives.

DEPARTMENT OF FOREIGN RELATIONS,
Santiago, November 10, 1880.

SIR: At the commencement of the war into which Chili was provoked by the injustice of Peru and Bolivia, my government made haste to lay before the friendly powers the all-powerful reasons that compelled her to seek in war satisfaction for her grossly offended honor and seriously imperiled interests, ends which, notwithstanding Chili's repeated efforts, it had been impossible to attain by conciliatory measures.

The absence of all military organization consequent upon years of peace; the habits of the people of Chili, devoted to peaceful toil and industry; the financial crisis that then weighed upon the country, the wholly unarmed condition of the republic, which had reached the point even of disbanding the national guard, her sale at public auction of a number of her war vessels; will demonstrate to your excellency's government how distant from Chili was the thought of her tranquillity being interrupted, how sincere was her love of peace.

The republic of Chili would never have abandoned her peaceful attitude, had it not been for the continued violations of her most sacred treaty obligations on the part of Bolivia; the discovery of the existence of a secret compact against her integrity, entered into between Peru and Bolivia, at a time when the outward relations of these powers with Chili were of the most friendly character, and finally the outrages committed against her citizens, all of which compelled her to resort to arms in vindication of her rights. Involved thus in a war against her will, and after having exhausted all peaceful means, she found herself compelled to accept it, as a last resort, and she now relies to the end upon the justice of her cause and the unfailing zeal of her people.

The hopes entertained by Chili have not been disappointed by the course of events; since the declaration of war her navy has annihilated the maritime power of Peru, and now holds her principal seaports under blockade. Her armies, in numerous engagements, have everywhere overcome her enemies; and she is now the mistress of all the Bolivian coast, and a very considerable portion of that of Peru. An uninterrupted series of defeats have made it impossible for the allied forces to recuperate their losses, and rendered them powerless to resist our attacks. In the face of events already consummated, and the stern reality of what has already occurred, the attempts made by them to conceal the truth or misrepresent facts are futile.

Under this condition of affairs, so unquestionably in favor of Chili, the Government of the United States, through its representatives near the three republics, tendered their good offices as mediator for the re-establishment of peace. The Government of Chili, true to its traditions and sincere in its international policy of loyal friendship with all nations, with a firm resolution that she would interpose no obstacle toward securing peace upon a firm and lasting basis, accepted the offer of the

great Republic of the North, notwithstanding her repeated successes against the allied powers.

Mediation having been accepted by Peru and Bolivia, it was also accepted by Chili, and for this purpose a conference was held at Arica. The mode and result of this meeting your excellency will find by a perusal of the copies of the documents I have the honor to herewith transmit.

By the protocol at the first meeting of the conference, a memorandum was submitted of the conditions that Chili deemed essential for the attainment of peace, which, as I will proceed to explain to your excellency, were the only ones that could have permanently and equitably put an end to the war.

In view of the situation of the belligerents, the series of victories obtained by Chili, both on land and sea; the enormous expenditure of blood and treasure that the war had cost the country; the blind tenacity with which the enemy persisted in carrying it on, thereby uselessly increasing the expense and injury; the outrages committed on our citizens whose property was confiscated and they expelled from the country; the obstacles thrown in the way of the development of our industries and commerce; in view, I repeat, of these antecedents, it was not reasonable to suppose that Chili would appear at the conference of Arica with other than a firm resolution to insist upon an indemnity that should, in part at least, compensate for so many and so great sacrifices on her part.

But two courses presented themselves that could make the attempt at an understanding and peace a success. One, the surrender of the territory according to the first clause of the memorandum submitted to the plenipotentiaries of the allies, as indemnity for the expenses and damages of the war, or the exaction of a stipulated sum of money upon the same grounds, Chili holding the territory now in her possession as security and until the final payment of such indemnity.

The adoption of the latter course found an insuperable obstacle in the deplorable condition of the finances of both Bolivia and Peru. For years past the embarrassed condition of the allied powers has been well known. Crushed by the weight of an enormous debt, without credit abroad, and, what is still worse, without order or stability at home, they had totally ignored their obligations. Unable to meet the interest on their debt, the fact of the bonds of Peru appreciating in value upon the occupancy of her territory by Chili, will show the point of insolvency she had reached in the estimation of Europe. How, then, would it have been possible for Chili to obtain from such powers the payment of the indemnity to which she was justly entitled?

An arrangement by which Chili should hold the territory occupied by her armies as security for the payment of the expenses of the war by means of the income derived from the same, was wholly inadmissible. The holding of this territory would necessarily involve the military occupation of it by the conquering power, and this could not be done without a heavy outlay to be paid by the allies. On any other terms the result, as far as regarded Chili, would be illusive. Such an arrangement never could have put an end to the war; however moderate the sum agreed upon as indemnity might be, it, increased by interest and the charges of a military occupation, would very soon place the sum beyond the power of the debtors to pay, while the irregular condition of affairs in the territory, by reason of the coexisting authority of Peru and Bolivia on the one side, and the forces of Chili on the other, would be productive of serious conflicts that could not long delay in again resulting in war, thus defeating the prime purpose that Chili has in view, the attainment of a solid and lasting peace.

The security being thus inadequate, Chili had no other resource but to demand the surrender of the territory as the only means of securing indemnity for her sacrifices and expenses. The government, in insisting on this stipulation in its instructions to its plenipotentiaries, did not simply seek an extension of its frontier. The faithful exponent of the feelings of its people, it adopted the only means that the depressed condition of the finances of the allies rendered it possible for them to grant; one that circumstances had imposed, and which they were powerless to change.

The allied governments will no doubt endeavor to make it appear, as did their plenipotentiaires at the conference, that Chili maintains the right of conquest.

The truth, however, will prevail in spite of all that may be said. The fact, clear and indisputable, alone remains, and that is, that Chili is entitled to indemnity for the expenditures and sacrifices incurred by her in the war, and that the allied governments have not the means of satisfying them.

The surrender of the territory furthermore involved on the part of the successful power a recognition of the mortgages and incumbrances created upon it by Peru to her foreign creditors.

The Republic of Chili possesses an extensive and fertile soil whereon her people may toil in peace. She has always lived in harmony, devoted to her own internal improvements. She has ever given proofs of her desire to seek a peaceful solution of all international questions. She has always been ready to defend the integrity and independence of her sister republics, when threatened. She has been the champion of Peru herself, and never could she have suspected that her demand that Bolivia

should live up to her treaty obligations would have been the cause of war. The Republic of Chili, with such antecedents, never appeared at the Arica conference for the purpose of maintaining the principle of the right of conquest. She appeared there solely for the purpose of obtaining indemnity for the expenses of the war, and the assurance of a solid and lasting peace in the future. Such was her right and the natural consequence of the justice of her cause, confirmed by the successes of her armies. The powers that forced her into an unjust war and that still insist on carrying it on, notwithstanding their reverses, are the ones responsible for the sacrifices and damages of which they were the cause. Chili under these circumstances commits no more act of conquest than does a creditor commit an act of despoliation when he seeks payment of the debt due him through the real estate of his debtor who has nothing else with which to discharge his obligation.

The demand of Chili is, furthermore, founded on other considerations not less worthy of notice. The territory belonging to the allied powers, lying south of the Camarones Valley, consists for the most part of desert lands with a very small native population. The greater part of its occupants are foreigners, of which the Chilians are the most numerous. It is they who are the principal owners and workers of the country. It is their capital and enterprise that have given value and importance to those hitherto barren wastes. The peculiar topographical conditions of this territory, the fact of its being at so great a distance from the seat of its own government, while its commerce and traffic largely depended on Chilians, made the character of the surrender demanded, as far as national susceptibilities were concerned, much less obnoxious than may have been the case in other instances of the annexation of neighboring territories. National susceptibilities, as is well known, do not exist in that locality, and this would have gone very far toward facilitating an easy assimilation of its elements, tending to the development of its wealth and prosperity.

Chili seeks that compensation to which she is justly entitled; she seeks a guarantee of peace for the future. In assuring these important ends, she proposes as a basis of arrangement a means that is not now and never has been ignored among civilized powers. Her frank and open demands should not be viewed with suspicion, nor should they inspire the other portions of the American continent with any feelings of uneasiness.

The other conditions demanded by Chili are the natural sequences of the first condition. They are in perfect harmony with the obvious and rightful considerations emanating from the subject.

The war has not only entailed enormous sacrifices of treasure and of blood upon Chili as a nation, but it has also been productive of similar sacrifices to her commerce and industries, and to her private citizens who were business residents of the territory of the allied powers from whence they were forcibly expelled after being despoiled of their real estate, their capital, and their personal property. The second and third stipulations of the memorandum provide for the indemnification of such injured parties. Their future, after the manner in which they were treated, cannot be a matter of indifference to my government.

The fourth stipulation is open to no objection whatever. It simply provides for the delivery to Chili of a transport that was the property of the republic.

The fifth becomes a matter of absolute necessity, when we take it into consideration that the war grew out of a secret treaty, and that the incentive to the treaty of alliance now sought to be brought about between Peru and Bolivia, as stated by these governments themselves, was to more effectually hostilize Chili. Such a treaty would be a standing menace to the peace that Chili so earnestly desires.

The sixth stipulation, with reference to the holding of certain territory as a guarantee for the fulfillment of the other conditions imposed on the allied powers, is absolutely necessary.

The seventh and last becomes important, in order to give to the peace sought to be obtained that stability which the interests of the belligerents themselves, as well as the other powers of the Pacific, demand. If the northern frontier of Chili should be established at the Camarones Valley, and the port of Arica thereafter fortified and converted into an impregnable fortress, it would be a constant source of danger to Chili, obliging her also to fortify her own frontier. In either case peace would always be in jeopardy, and this may be avoided by making the said port for all time simply and exclusively a commercial port.

Furthermore, it is known that when the boundaries of Bolivia were arranged, she was given a geographical position inimical to the logical development of her resources. It is also known that the port of Arica is the most suitable and best adapted to the commercial requirements of Bolivia. This fact would render its fortification still more dangerous and improper.

Before concluding the present communication I deem it proper to notice two imporant points submitted to the Arica conference, viz, the proposition of the plenipotentiaries of the allied powers to bring the war to a close through the arbitration of he power then acting as mediator, and the interpretation given by his excellency

Mr. Baptista, the Bolivian plenipotentiary, to the secret treaty of alliance, offensive and defensive, so mysteriously entered into between Peru and Bolivia in 1873, and which has been the cause of the lengthened struggle in which we now find ourselves involved.

Unquestionably the method most in harmony with the interests of humanity, the one best calculated to preserve friendly international relations, is, in cases of conflict, to submit to the arbitration of a third power, which might impartially and without prejudice decide as to which side was right; but this method has its appropriate time for application; unfortunately, the time at which it was suggested by the plenipotentiaries of the allied powers deprived it completely of its applicability. When diplomacy had exhausted all its resources and war appeared to be inevitable, Chili proposed arbitration to Bolivia and it was peremptorily declined. War was the consequence, and your excellency is aware of the results and sufferings that have followed. Chili, through her efforts, has obtained decisive advantages over her adversaries, and has by reason of the war become invested with clear and important rights. What point, therefore, would the arbitrator be called upon to decide? The question of rights is one no longer open to discussion; it is now simply a question of accepting or declining through war what has already been accomplished by war.

Success has its obligations, and they increase in the ratio of the sacrifices and the risks incurred in obtaining it. These obligations are still further increased when dealing with an enemy who, although defeated by land and sea, tenaciously holds out in the struggle when resistance is vain.

Bolivia rejected arbitration when it was offered by Chili; Peru became her ally with a full knowledge of all the facts, and it is now both logical and natural that she should accept the consequences of a war that she might have prevented, but did not choose to prevent. If such was not the case, if it should be held that a power is obliged to suspend hostilities at the request of its antagonist, when the antagonist had provoked the war and been unsuccessful in its issues, war would cease to be a right. In the midst of the train of evils that it entails it would fail to achieve the only benefit to be derived from it, that of compelling the vanquished to repair the injury they had caused, and to respect in the future the rights of others in accordance with international treaties. But for these considerations Chili would have accepted the proposed arbitration with full confidence in the impartiality of the arbitrator.

With regard to the interpretation of the secret treaty of 1873 given by his excellency Mr. Baptista at the conference, I will take occasion to say that the circumstances under which it was negotiated, and the means adopted to give it effect, show a purpose directly the opposite of the one sought to be attributed to it, viz, that of strengthening the fraternity and union of the republics of America. In no other light can explanation be given for the secrecy that was observed with regard to it for more than six years; for the irregular manner in which it was passed by the congresses of Peru and Bolivia; the denial of its existence by the former of these powers when interrogated by Chili with regard to its existence; and, finally, the exclusion of Chili from it when Chili at the same time was the ally of the powers that were conspiring against her. The treaty was a measure directed against Chili, and my government so demonstrated at the commencement of the war.

The foregoing statement I trust will convince the sober judgment of your excellency's government that Chili took part in the conference with a sincere desire of putting an end to the war; that the conditions submitted by her plenipotentiaries were the only ones that could be productive of a lasting and equitable peace; that her conditions were neither exaggerated nor onerous under the circumstances in which the belligerents are now placed, and that whatever may be the consequences of the continuance of the war, the allies, through their persistence in refusing to accede to the just demands of Chili, are alone responsible for it.

My government, sir, profoundly regrets that the Arica conference has been barren of results, and that the noble efforts of the mediating power in its endeavor to re-establish peace have been sterile, for all of which efforts Chili is sincerely grateful.

With the request that your excellency will be pleased to make this statement known to your government, I have to beg you will accept the assurance of my distinguished consideration, and remain your most, &c.,

MELQUIADES VALDERRAMA.

No. 109.

Mr. Osborn to Mr. Evarts.

No. 182.] LEGATION OF THE UNITED STATES,
Santiago, Chili, November 30, 1880. (Received January 21.)

SIR: On the 21st instant, I received the following cablegram:

WASHINGTON, *November* 19.

OSBORN, *Minister, Santiago, Chili:*

You are authorized to unite with your colleagues in pressing upon Chili the adoption of the measures agreed upon in a diplomatic conference at Lima for securing the lives and property of neutrals when Lima is attacked. This authority is to be used only in case these measures are approved by Christiancy and yourself as within neutral policy and this concurrent representation seems to you useful. You are also authorized to join in asking a direct answer from Chili, if in your judgment the requirement is justified by the situation. Telegraph your action.

EVARTS,
Secretary, Washington.

A few brief interviews with my colleagues touching the details of the measures adopted at the Lima diplomatic conference, and the steps hitherto taken, having in view their acceptance by this government, served to impress me with the belief that any movement now by this legation in the direction indicated in your dispatch would be exceedingly impolitic, and this belief was strengthened to conviction by the informal conversation which I subsequently had with the minister of foreign relations, Mr. Valderrama.

As you know, the measures referred to provide for the protection of all private property, neutral and otherwise, in Lima, and determine the manner in which the Chilian army may bombard, occupy, and police the city. This programme was submitted to the consideration of the Chili cabinet early in October by the European representatives. In response, this government declared that it was its purpose to protect as far as possible the interests of neutrals in Lima, but maintained, in justification of a refusal to adopt unqualifiedly the measures proposed, that such action might tend to seriously embarrass the army in its legitimate operations. With this answer, it seems, the European governments were not satisfied; hence this renewed effort in the direction indicated.

I have had frequent conversations with Minister Valderrama concerning the protection of lives and property of neutrals in Lima in case that city should be attacked, and on the 24th instant, in an interview with him, I intimated a desire to know what measures had been adopted to that end. He was quite unreserved in his answer, asserting that it was the sincere desire of his government that neutral interests should be fully protected, but justified the refusal to adopt the measures proposed by my colleagues upon the ground heretofore stated; that is, that the army might thereby become seriously crippled in its proper operations against the enemy. He informed me, however, that, with a view of affording the protection desired, the general in command had been directed to confer with the dean of the diplomatic corps at Lima, and, in so far as the same could be done without interfering with the legitimate operations of the army, to adopt his suggestions to that end. An English translation of the note of Minister Valderrama, repeating the assurances given me in conversation, will be found inclosed.

In addition to what is said in the minister's note, I may add that I have known for some time that the government was desirous of avoid-

ing a scandal growing out of the operations at Lima, and that precautions were being taken to that end. The minister of war is with the army in the field, as is also Mr. Altamirano, the intendente of Valparaiso, who has gone north as secretary for the general-in-chief. These gentlemen are men of high standing, and I am assured that the chief reason for their attendance upon the army is the solicitude of the government upon this subject.

On the 26th instant I telegraphed you as follows:

EVARTS, *Washington:*

Regard pressure of Lima measures useless and impolitic, Government adopts stringent measures for protection of neutrals in Lima, but rejects European pressure.

OSBORN.

I am credibly informed that the Lima measures were not pressed upon this government by the European representatives with much earnestness; but, be that as it may, the response to their efforts was substantially the same as that received by me.

I have, &c.,

THOMAS A. OSBORN.

[Inclosure in No. 182.—Translation.]

Mr. Valderrama to Mr. Osborn.

REPUBLIC OF CHILI, MINISTRY OF FOREIGN RELATIONS,
Santiago, November 25, 1880.

SIR: Referring to the conference that I had yesterday with you, and in which you expressed a desire to know if my government had taken any measures for the purposes of protecting, in as far as may be possible, the persons and interests of foreigners located in Lima and Callao, in case hostilities against said cities should be undertaken, I now have the honor to repeat to you what, in that respect, I expressed to you verbally.

My government feels a deep interest in that the persons and property of foreigners should remain as far as possible exempt from all damage in the future operations that it may be necessary to undertake against those cities, and to this end has recommended very especially to the chief of our forces that he should respect these persons and properties. In order that this protection should be more efficacious, my government has directed that the chief of our forces should hear all the suggestions that the dean of the diplomatic corps in Lima should be pleased to make to him in this regard, and to accept them in so far as they should not be opposed to or should not embarrass the legitimate operations of our army. My government believes that on the field of actual operations the Chilian commander, upon the representations of the dean of the diplomatic corps, will be the better able to protect the important interests of neutrals, which the government ardently desires may be protected in the military operations which our army has been directed to carry out.

I avail, &c.,

MELQUIADES VALDERRAMA.

No. 110.

Mr. Evarts to Mr. Osborn.

No. 215.] DEPARTMENT OF STATE,
Washington, December 27, 1880.

SIR: My attention has been called to the following passage of your remarks at the conference held at Arica, Peru, on the 15th of October last, as reported in the second protocol of those conferences:

"His excellency Mr. Osborn remarked that it seemed proper to him, as well as to his colleagues, to place upon record that the Government of the United States does not

seek the position of arbiter in this question. A strict compliance with the duties inherent to that position would involve much trouble and great labor, and, while he could not doubt that his government would accept the position if properly requested to do so, it was nevertheless proper that it be understood that its representatives did not court that distinction.

As it is not quite clear what the meaning and scope of your remark on that occasion was, I will thank you for explanation upon the subject. There was no impropriety in your making it clear to the representatives of the belligerent states that this government had no desire to unduly urge its arbitration upon them. If, however, it was your purpose to convey the impression that we would not cheerfully assume any labor and trouble incident to arbitration in the interest of peace and the service of justice, you have not correctly appreciated the views and wishes of this government. It is the sincere desire of the President to see an honorable and lasting peace secured among the South American republics now engaged in war, and he will shrink from no effort or responsibility which can properly tend to the accomplishment of such a desirable result.

In order to remove a possibly wrong impression which your language may have made upon the representatives of the belligerent powers, you will read this instruction to the minister for foreign affairs of Chili; and I will instruct Mr. Christiancy and Mr. Adams to read a copy of it to the ministers for foreign affairs of Peru and Bolivia, respectively.

I am, &c.,

WM. M. EVARTS.

No. 111.

Mr. Osborn to Mr. Evarts.

No. 187.] LEGATION OF THE UNITED STATES,
Santiago, Chili, January 3, 1881. (Received February 24.)

SIR: In the circular note which minister Valderrama addressed to the diplomatic corps on the 10th of November last, a copy and translation of which accompanied my No. 181, is found the following sentence:

> The cession (meaning the cession of Tarapacá by Peru), carried with it, moreover, the obligation on the part of the victorious nation of accepting as its own all the hypothecated bonds given by the Peruvian Government to its foreign creditors.

The guano beds in the Tarapacá district, as is well known, have been mortgaged by Peru to secure the payment of a large part of her public debt, and the expression here quoted was very generally accepted as a formal recognition of these obligations in the event of a change in the sovereignty of the district. Subsequent discussion in the newspapers and in the two houses of Congress, however, apparently developed the fact that the country was not prepared to accept this doctrine as its policy, and the minister has felt himself called upon to explain in another note, a copy of which I herewith inclose, with English translation.

It will be observed that the interpretation which had so very generally been accepted was entirely erroneous, and that the minister does not desire to be understood as having committed his government to the payment of any part of the Peruvian debt or the recognition of any of its mortgages, but that all claims in the district referred to are to be settled in accordance with the principles of international law.

If the influences which have driven minister Valderrama into writing the inclosed note shall continue in the ascendency, I fear that Peruvian mortgage bonds are likely to remain a very precarious investment.

I am not aware that any of these mortgage securities are held by American citizens. The loan for which they were issued was raised in Europe, principally in Great Britain and France.

I have, &c.,

THOMAS A. OSBORN.

[Inclosure in No. 187.—Translation.]

Mr. Valderrama to Mr. Osborn.

REPUBLIC OF CHILI, MINISTRY OF FOREIGN RELATIONS,
Santiago, December 24, 1880.

SIR: On the 10th of November ultimo I had the honor of addressing you informing you of the result of the conference held on board the Lackawanna in the bay of Arica, in the last days of October.

In view of the instructions given to our plenipotentiaries in the event of certain contingencies arising in connection with the conference, I then stated that the ceding of the territory claimed by Chili would have implied on the part of Chili a recognition of the mortgages executed by Peru to her foreign creditors. This expression has not been properly understood, as appears from the interpellations directed to the government in both houses of Congress.

By some, without taking into consideration the special circumstances of the case, the circular of the 10th of November was understood to be an absolute definition of the rights of creditors in the nature of an assertion of a principle; such an interpretation of it is not correct. The statement referred to is intimately connected with the instructions given to our plenipotentiaries, and both refer to the occurrences of certain contingencies that never took place.

It is known that the conference at Arica was productive of no result, and that matters continued in the same condition they were before the said conference was held. This statement thus becomes merely an expression of a fact which might have occurred had the allies accepted all the conditions with which it was connected. It might also have been a result of certain compensations or advantages provided for in the instructions, but it embraces no recognition of a right as has been supposed by some.

It was not intended in the circular alluded to, to define the rights of creditors. Its scope was confined to certain facts that had already occurred and others that might have grown out of the Arica conference if certain circumstances then in view had taken place. The failure of the negotiations left matters in the same condition in which it found them, and consequently the rights alleged by certain parties with regard to the Tarapacá district will be settled according to the precepts of international law. This is the line of conduct which the government of Chili has observed from the beginning, and in which it has the purpose of continuing.

With this explanation of the true meaning of the statement which has been so imperfectly understood, I avail myself of the opportunity of offering to you the sentiments of high consideration with which I am, &c.,

MELQUIADES VALDERRAMA.

No. 112.

Mr. Osborn to Mr. Evarts.

No. 190.] LEGATION OF THE UNITED STATES,
Santiago, Chili, January 14, 1881. (Received March 7.)

SIR: Referring to your instruction No. 108, conveying information of the convention concluded between the representatives of Chili and the United States of Colombia, at Bogata, in September last, for the preservation of peace between those republics, and directing me as to my duties in the premises, I have the honor herewith to inclose a copy, with

English translation, of a note received by me from the minister of foreign relations, together with a copy of my reply.

You will observe that the minister, after informing me of the execution of the convention referred to, says that it meets with the approval of his government, and will be presented to the National Congress for its action. He adds a request to be informed whether the designation of the President of the United States to act as arbitrator in certain contingencies mentioned in the convention will prove acceptable to the Government of the United States.

My reply, as you will see, is an assurance that the President will deem himself privileged in being permitted to respond to the flattering trust reposed in him, if his services should be required.

I have, &c.,

THOMAS A. OSBORN.

[Inclosure 1 in No. 190.—Translation.]

Mr. Valderrama to Mr. Osborn.

REPUBLIC OF CHILI,
DEPARTMENT OF FOREIGN RELATIONS,
Santiago, December 23, 1880.

SIR: I have the honor to inform you that on the 3d of September last a convention "ad referendum" was entered into at the city of Bogota by the minister of foreign relations of Colombia and the chargé d'affaires of Chili near that republic, copy of which accompanies the present, by the terms of which both countries agree to submit to arbitration the decision of all questions that may arise between them and which it may be found to be impossible to decide by diplomacy.

My government has no hesitancy in accepting the principle of arbitration thus established, and will submit the convention to the National Congress.

With regard to the designation of his excellency the President of the United States of America as umpire in the cases specified in Article II, my government hopes that it will not prove unacceptable to your excellency's government, and that in it your government will see a reciprocation of the many and strong proofs of friendly feeling that Chili has received from it.

Notwithstanding these marks of confidence, I am directed by his excellency the President of the Republic, in bringing this subject to your notice, to inquire whether the Government of the United States will give a favorable consideration to the selection which has been made of the President of the Union for the cases referred to.

I avail myself of the occasion to renew the assurance of my distinguished consideration.

MELQUIADES VALDERRAMA.

[Inclosure 2 in No. 190.]

Mr. Osborn to Mr. Valderrama.

LEGATION OF THE UNITED STATES,
Santiago, January 7, 1881.

SIR: I have to acknowledge the receipt of your excellency's note of the 23d ultimo, inclosing a copy of the convention entered into on the 3d of September last "ad referendum" between the Republic of Chili and that of Colombia, providing for the settlement by arbitration of all such questions as may arise between the two governments which it may be found impossible to arrange through diplomatic interconrse, designating at the same time the President of the United States as umpire, and inquiring whether the Government of the United States would lend favorable consideration to the selection therein made of its President as umpire for the cases provided for by the convention referred to.

In reply I have to say that I can best answer your inquiry by transcribing the text

of a communication on this subject received from my government under date of October 13, and which is as follows:

"That should occasion for arbitration arise under the treaty, the President will deem himself privileged in being able to respond to the flattering trust reposed in him, and evincing the friendship of the people and Government of the United States for both republics."

I may add that my government experiences the liveliest satisfaction at the course proposed by your excellency's government and that of the Republic of Colombia, regarding it as a concurrence in a great principle successfully inaugurated and put in practice by the Government of the United States.

I have, &c.,

THOMAS A. OSBORN.

No. 113.

Mr. Evarts to Mr. Osborn.

No. 119.] DEPARTMENT OF STATE,
Washington, February 10, 1881.

SIR: The information which the Department gleans from the press reports that the Chilian forces have taken Lima and Callao, and that the Peruvian forces and government have fallen back into the interior.

Under these circumstances, of which I have as yet no confirmation from yourself and Mr. Christiancy, it is naturally to be inferred that the time has come when the Peruvian Government would not refuse to treat for peace upon any supportable basis, and that it would turn to the good offices or mediation of this government, with hope, if not expectancy, of an end to the war being reached.

I have, to-day, instructed Mr. Christiancy to press upon the Government of Peru, and upon such Chilian authorities as he may have access to, the earnest desire of this government to bring about a peace without delay and upon reasonable and honorable terms, compatible with the true welfare of all the belligerents, so as to be lasting. I have directed him to urge the desire of this government with all that pressure which, under the circumstances, may appear to him to be admissible and proper to the gravity of the occasion.

Your own urgent efforts will be exerted in the same direction.

I am, &c.,

WM. M. EVARTS.

No. 114.

Mr. Osborn to Mr. Evarts.

No. 195.] LEGATION OF THE UNITED STATES,
Santiago, Chili, February 24, 1881. (Received April 5.)

SIR: Referring to your instruction No. 115, wherein you quote from remarks made by me at the Arica conference, touching the suggestions there made concerning the submission of the questions in dispute to the President of the United States as arbiter, and in which you express an apprehension that possibly I may not have correctly interpreted the views of the Government of the United States in that regard, I have to say that I have read your instruction to the minister of foreign relations, as therein directed, and am assured by him that his government has not been misled, in the least, by the remarks quoted by you from the protocol.

For nearly two years this government has known of the earnest desire of the President of the United States to see an honorable termination of the unfortunate war in this section, and of his willingness to contribute in every proper manner to the accomplishment of that result. This assurance in the precise sense of your instruction, if not in its exact language, has been given not once only, but repeatedly, until there has been left no room for doubt upon that subject.

The remarks quoted, to be correctly appreciated, should be read in connection with the discussion which was then going on in the conference, and in the light of surrounding facts. They were not intended to qualify or change, in the slightest degree, the views of the Government of the United States as hitherto made known to the several belligerents. Their purpose was to cover the single question then being discussed, and I am not informed that either of the belligerents understood them in any other sense.

As you well know, since the Chilians succeeded in getting possession of the province of Tarapacá this government has not been willing to listen to suggestions regarding peace which did not involve a cession of such province by Peru. The State Department contains many dispatches from me to this purport, and I judge, the allies were well informed on this point. It is impossible that they should have remained ignorant of the fact that the condition of public sentiment here was such as to preclude the possibility of a peace upon any other basis. When Mr. Christiancy was here, prior to the conference of Arica, President Pinto told him emphatically that our mediation would come to naught unless Peru was ready to make this concession. I assume that the Piérola government was informed of this by Mr. C., upon his return to Lima, and prior to the acceptance by Peru of our mediation; but, be that as it may, I am positively assured that President Piérola was made acquainted with the facts in this regard by the European representatives in Lima. That they could not have been ignorant in Peru on this point is evidenced by the fact that Mr. Christiancy felt himself warranted in saying to President Pinto that he was confident that the demand made by Chili would be conceded.

With this understanding, then, our mediation was accepted, and the conference convened at Arica in October. The ministers who went from Chili were instructed to demand, among other things, Tarapacá. The sentiment of the country was a unit upon this point, and the government could not have done less and stood.

In the presence of these facts you will, perhaps, be able to comprehend with what surprise and mortification I listened to the reply of the allies in the second conference, wherein they announced that the very condition which was irrevocable presented an "insurmountable obstacle" to the conclusion of a peace. It was after this announcement of the conclusion reached by the Peruvian minsters, that Mr. Baptista, of Bolivia, following an assurance that he and his colleague were quite in accord with the representatives from Peru, suggested that perhaps the difficulty might be solved by leaving the "*remaining questions*" to arbitration by the United States. The allies knew perfectly well that the "remaining questions" were comparatively nothing in the settlement of the difficulty. They understood then, as the Peruvian Government at least had understood before our mediation was accepted, that the unbending demand of Chili would continue to be the cession of Tarapacá, and that peace was impossible unless that point should be yielded. In view of all this, how hollow was the proposition touching arbitration; how insincere.

It will not be forgotten that circumstances conspired to make our mediation exceedingly unpopular in Chili. For present purposes it will be sufficient to refer to this fact generally without calling attention to the causes therefor. So strong was the sentiment in opposition to the movement immediately preceding the holding of the conference that I am confident the government would have gladly retraced its steps in that matter if it could have honorably done so. The country was exceedingly sensitive upon the subject, and there was very great danger that the government would fall. All this I knew perfectly well, perhaps better than my colleagues. I felt the full responsibility of my position, and endeavored to so discharge my duty as to leave the United States Government blameless, let what might be the result of the movement. With this knowledge, and this determination, the remarks which you quote were made, and now, in the light of subsequent events, I do not hesitate to say that if a different course had been pursued by us—if we had given to the proposition submitted regarding arbitration a *quasi* approval—American influence here would have been very seriously crippled, if not entirely destroyed. As it was, the United States Government came out of the movement standing better here than it had ever stood before.

Trusting that this explanation may prove satisfactory,

I am, &c.,

THOMAS A. OSBORN.

No. 115.

Mr. Osborn to Mr. Blaine.

No. 198.] LEGATION OF THE UNITED STATES,
Santiago, Chili, March 23, 1881. (Received May 4.)

SIR: I have deemed it quite unnecessary to burden the archives of the State Department with the scattered information which has from time to time reached me from Peru since the occupation of Lima by the Chilian forces, as you have doubtless been placed in possession of all needed knowledge of events there by Minister Christiancy. Lima is but little farther from New York, in the matter of mail communication, than it is from Santiago, and you are, I judge, made acquainted with incidents there transpiring almost as soon as I am.

The negotiations regarding peace have, on the part of Chili, been intrusted to Messrs. Vergara and Altamirano, two of the ministers who participated in the Arica conference, and from what I learn I conclude that these gentlemen find their task by no means an easy one. While the war is practically at an end, yet serious difficulties appear to stand in the way of peace negotiations. Whether these difficulties might not in a measure have been avoided presents a question which I am not prepared to discuss, nor am I sufficiently informed to warrant an expression of opinion as to the real source of the blame, if blame there is. The fact is, there are two pretended governments in Peru, that of Piérola and that headed by Calderon.

The Chilian ministers, as you know, have emphatically declined to enter into negotiations with Piérola, alleging as a reason, as I understand, that his government is without the necessary strength. It is whispered, and perhaps truly, that other influences contributed to this

determination, among which I may mention what is termed here an insulting and untruthful insinuation by Piérola in one of his recent official papers to the effect that the perfidy attached to the premature commencement of the battle of Miraflores, on the 15th of January, was chargeable to the Chilian army. It will be remembered that on the morning of the 15th, through the friendly efforts of the diplomatic corps in Lima, a qualified armistice was arranged between the two armies, which was to continue until midnight, but that notwithstanding at about two o'clock in the afternoon fire was opened and the bloody battle of Miraflores followed. It is no secret here that in this engagement the Chilian army narrowly escaped a serious disaster, and the government, the army, and the people, are alike severe in their denunciations of Piérola for what they term his treachery in this matter.

The government of Calderon has been accepted by several of the Peruvian provinces, but there still remains a considerable portion of the country which has not acknowledged its authority. I am induced to believe, however, that President Pinto hopes that it will have acquired ere long sufficient strength to warrant this government in entering into negotiations with it. Mr. Altamirano is on his way down the coast now, and will reach Santiago in a few days. He comes, I infer, to confer with the government regarding the situation in Peru, and perhaps, to receive final instructions touching the terms to be exacted in a treaty of peace.

There is every reason why Chili should conclude a peace at the earliest possible day, and I think the government so looks upon it. What terms are to be insisted upon I do not know, but judge they will be quite as severe as Peru, in its impoverished condition, can possible comply with. In this regard, however, I see evidences here of a modification of public sentiment, and from this I expect much.

I need scarcely assure you that my efforts shall continue to be exerted in facilitating the restoration of peace. This, your instructions, as well as my sense of duty, would require; but I find an additional incentive in my great desire to avail myself of the leave of absence granted me by the State Department, and so long held in abeyance because of the war. Since the receipt of instructions No. 119, which came to hand by the last mail, I have had a friendly conversation with Minister Valderama concerning the negotiations at Lima, and after the arrival of Mr. Altamirano I expect to see him again, when I may have something worth communicating. The information upon which the instruction above mentioned was based seems to have been somewhat faulty in that it indicated that President Pierola, with his army, had retired to the interior. It is reported here, and believed, that the Peruvian army was entirely dispersed, and that Pierola took refuge in the mountains surrounded by a few followers only.

About 6,000 of the volunteer troops have been returned to Chili and mustered out of the service. General Baquedano, the commander-in-chief, accompanied them, and they were received with universal rejoicing.

I inclose an English translation of General Baquedano's report of events preceding the occupation of Lima by the Chilian army.*

I have, &c.,

THOMAS A. OSBORN.

*This is a newspaper report omitted on account of its length. It can be furnished if desired.

No. 116.

Mr. Osborn to Mr. Blaine.

No. 201.] LEGATION OF THE UNITED STATES,
Santiago, Chili, April 5, 1881. (Received May 17.)

SIR: In my No. 198, in speaking of the prospects of peace, I informed you that Mr. Altamirano, one of the ministers authorized to treat with Peru, was on his way to Chili. Since his arrival he has had extended interviews with the government regarding the situation in Lima, and as a result I have good reason for believing that the President's hopes touching the government of Calderon have been very seriously weakened. The impression seems to be gaining ground that the demoralization prevailing in Peru is so great as to prevent the establishment, at present, of any government with sufficient solidity to warrant Chili in negotiating with it. If this should become the view of the government, as seems probable, the indications are that the policy for the future would involve the removal to Chili of all valuables belonging to the Government of Peru, the destruction of all means of defense, and the withdrawal of the Chilian forces to Arica. From this point, itis inferred, they would watch with interest the movements of the factions in Peru in their struggles for the ascendency. Minister Vergara has been sent for, and is expected in a few days, when it is understood a definite course is to be determined upon.

If the policy which I have outlined should be adopted, all talk regarding a formal peace would be mere speculation.

I have, &c.,

THOMAS A. OSBORN.

No. 117.

Mr. Osborn to Mr. Blaine.

No. 202.] LEGATION OF THE UNITED STATES,
Santiago, Chili, April 6, 1881. (Received May 17.)

SIR: The representatives here of Great Britain, France, and Italy, acting jointly under instructions, have tendered the mediation of their respective governments, with a view of putting an end to the war, but this government has deemed it advisable to decline their offer.

I conclude that the agents of the European powers were not dissatisfied with the answer which they received. They probably regard the present unsettled state of affairs in Peru as presenting a serious obstacle to negotiations, and are, I judge, not disappointed that they should be excused, by the action of this government, from entering upon the performance of a work which would seem to have so little promise of a happy result.

I have, &c.,

THOMAS A. OSBORN.

No. 118.

Mr. Martinez to Mr. Hitt.

[Translation.]

LEGATION OF CHILI,
Washington, D. C., May 6, 1881.

ESTEEMED SIR AND FRIEND: The New York papers are publishing a rumor that it is possible that Chili may establish a protectorate over Peru, because that country cannot form a government of its own, and because many sensible people are asking for such a protectorate.

I am sorry that I cannot call and speak with Mr. Blaine personally on this subject. Nevertheless I desire to inform him, through you, that there is no ground whatever for such rumor; and that, even though *all* the Peruvians should clamor for a protectorate, Chili would on no account consent to establish one.

With sentiments of highest esteem, &c.,

M. MARTINEZ.

No. 119.

Mr. Osborn to Mr. Blaine.

No. 205.] LEGATION OF THE UNITED STATES,
Santiago, Chili, May 7, 1881. (Received June 7.)

SIR: In my No. 201, of date April 5th, regarding the war in this section, I mentioned the fact that the minister of war, Mr. Vergara, who had been with the army at Lima, had been sent for, and was then on his way to Chili. Since his arrival the government has labored to reach a conclusion touching the course to be pursued with Peru, and to that end numerous and extended discussions among the ministers and prominent citizens of the republic who had been invited to participate, have taken place. Three plans or propositions were discussed: First, that spoken of by me in my No. 201, involving the withdrawal of the army to Arica; second, the occupation of the entire Peruvian coast by the Chilian forces, and its government by Chilian authorities; and third, the strengthening of the government of Calderon and the negotiation of a peace therewith. The propriety of entering into negotiations with Pierola was not even dignified with a consideration. After much labor the government reached the conclusion that the last proposition afforded the easiest way out of their complications, and it has been determined to send to Peru, in charge of the negotiations, Mr. Godoy, who in times past represented Chili in Washington. Mr. G. is well qualified for the delicate post which he is called upon to fill. He occupied the position of minister to Peru for several years immediately preceding the opening of hostilities, and is thoroughly informed of that country and its people, and of the causes which brought about the present war. In conversation with me yesterday, he expressed the belief that three or four months would serve to bring the difficulties to a conclusion, and it is to be hoped that the result may prove him to be not over-sanguine.

The ministry has freely counseled with me regarding the difficulties of the situation, and, in view of their previous determination to have nothing to do with Pierola, I cannot but applaud the result of their delibera-

tion. To vacate the country now would be to turn it over to anarchy, and to attempt to occupy the entire coast would in time involve both countries in ruin. The most feasible way to peace is, in my opinion, the one resolved upon. In fact it is the only one which offers any reasonable hope of a solution of the difficulties during the present generation.

I have endeavored to impress upon the authorities here, and not without, I judge, some measure of success, the propriety of their affording the government of Calderon greater freedom of action than it has hitherto enjoyed. I have urged upon them that if it is their purpose to strengthen and dignify the new government, and place it in a position to claim recognition at home and abroad, they should give it possession of the capital freed from the embarrassments of Chilian military rule, and should enable it to raise revenue for its proper support. It will be remembered that the new government has been confined to a small village in the neighborhood of Lima, which was exempted from the operation of martial law, while the capital has been occupied by the Chilian military authorities; and it will also be borne in mind that the custom-house at Callao, almost the only source from which revenue can be readily raised, has remained in possession of the Chilians.

This government will unquestionably insist upon the relinquishment by Peru of the province of Tarapacá, and unless the Peruvian authorities shall be found ready to concede this, the attempt to make peace will fail. It is probable, also, that Chili will demand the province of Moquegua, which includes the towns of Arica, Tacna, and Moquegua; but I incline to the belief that they will not insist upon this to the extent of endangering the negotiations. They will doubtless move cautiously, however, taking good care to see that they are to be sustained by the country; and as the public expectation has been raised to a most extravagant point, their way may be beset by serious difficulties.

I regard it as quite probable that the terms of the treaty may provide for the maintenance of Chilian garrisons at Callao and Arica until some minor conditions shall be complied with. And it is well perhaps for the interests of those who are concerned in the preservation of order there that the term of this occupation should not be limited to too brief a period.

I have, &c.,

THOMAS A. OSBORN.

No. 120.

Mr. Blaine to Mr. Kilpatrick.

No. 2.] DEPARTMENT OF STATE,
Washington, June 15, 1881.

SIR: The unfortunate condition of the relations between Chili and Peru makes the mission upon the duties of which you are now entering one of grave responsibility and great delicacy. Difficult as would be any intervention of the United States under ordinary circumstances, our position is further embarrassed by the failure of the conference at Arica, undertaken at our suggestion. It is evident from the protocols of that conference that Chili was prepared to dictate and not to discuss terms of peace, and that the arbitration of the United States upon any questions of difference with the allied powers of Peru and Bolivia was not

acceptable and would not be accepted by the Chilian Government. Since that time the war has closed in the complete success of Chili, and in what can scarcely be considered less than the conquest of Peru and Bolivia.

This government cannot therefore anticipate that the offer of friendly intervention in the settlement of the very serious questions now pending would be agreeable to the Government of Chili. It would scarcely comport with self-respect that such an offer should be refused, and it would be of no benefit to Peru and Bolivia that it should be offered and declined. But I am sure the Chilian Government will appreciate the natural and deep interest which the United States feels in the termination of a condition so calamitous in its consequences to the best interests of all the South American republics. It should also know that if at any time the interposition of the good offices of this government can contribute to the restoration of friendly relations between the belligerent powers, they will, upon proper intimation, be promptly offered.

While, therefore, no instructions are given you to tender officially any advice to the Government of Chili which is unsought, you will, on such opportunity as may occur, govern your conduct and representations by the considerations to which I shall now call your attention.

Without entering upon any discussion as to the causes of the late war between Chili on the one side and Peru and Bolivia on the other, this government recognizes the right which the successful conduct of that war has conferred upon Chili; and, in doing so, I will not undertake to estimate the extent to which the Chilian Government has the right to carry its calculations of the indemnities to which it is entitled, nor the security for the future which its interests may seem to require. But if the Chilian Government, as its representatives have declared, seeks only a guarantee of future peace, it would seem natural that Peru and Bolivia should be allowed to offer such indemnity and guarantee before the annexation of territory, which is the right of conquest, is insisted upon. If these powers fail to offer what is a reasonably sufficient indemnity and guarantee, then it becomes a fair subject of consideration whether such territory may not be exacted as the necessary price of peace.

But at the conclusion of a war avowedly not of conquest, but for the solution of differences which diplomacy had failed to settle, to make the acquisition of territory a *sine qua non* of peace is calculated to cast suspicions on the professions with which war was originally declared. It may very well be that at the termination of such a contest the changed condition and relation of all the parties to it may make readjustment of boundaries or territorial changes wise as well as necessary; but this, where the war is not one of conquest, should be the result of negotiation and not the absolute preliminary condition on which alone the victor consents to negotiate. At this day, when the right of the people to govern themselves, the fundamental basis of republican institutions, is so universally recognized, there is nothing more difficult or more dangerous than the forced transfer of territory, carrying with it an indignant and hostile population, and nothing but a necessity proven before the world can justify it. It is not a case in which the power desiring the territory can be accepted as a safe or impartial judge.

While the United States Government does not pretend to express an opinion whether or not such an annexation of territory is a necessary consequence of this war, it believes that it would be more honorable to the Chilian Government, more conducive to the security of a permanent peace, and more in consonance with those principles which are professed

by all the republics of America, that such territorial changes should be avoided as far as possible; that they should never be the result of mere force, but, if necessary, should be decided and tempered by full and equal discussion between all the powers whose people and whose national interests are involved.

At the present moment, the completeness of the victory of Chili seems to render such a diplomatic discussion impossible. The result of the conflict has been not only the defeat of the allied armies, but the dissolution of all responsible government in Peru. Its soil is occupied, the collection of its revenues transferred to the conquerors, and its executive, legislative, and judicial functions in abeyance. It can neither enforce order within nor assure peace without.

An effort, and apparently a very earnest and honest one, has been made to create a provisional government, which shall gradually restore order and the reign of law. But it is obvious that for such a government to succeed in obtaining the confidence either of its own people or foreign powers, it must be allowed a freedom and force of action which cannot be exercised while Chili holds absolute possession and governs by military authority. This government, therefore, has been glad to learn from its minister in Chili, whom you succeed, that the Chilian authorities have decided to give their support to the efforts of Señor Calderon to establish on a steady footing a provisional government in Peru.

You will, as far as you can do so with propriety and without officious intrusion, approve and encourage this disposition on the part of the Chilian Government, and this Department will be exceedingly gratified if your influence as the representative of the United States shall be instrumental in inducing the Government of Chili to give its aid and support to the restoration of regular, constitutional government in Peru, and to postpone the final settlement of all questions of territorial annexation to the diplomatic negotiations which can then be resumed with the certainty of a just, friendly, and satisfactory conclusion.

In any representation which you may make, you will say that the hope of the United States is that the negotiations for peace shall be conducted, and the final settlement between the two countries determined, without either side invoking the aid or intervention of any European power.

The Government of the United States seeks only to perform the part of a friend to all the parties in this unhappy conflict between South American republics, and it will regret to be compelled to consider how far that feeling might be affected, and a more active interposition forced upon it, by any attempted complication of this question with European politics.

If at any time you shall judge it expedient and advantageous to read this dispatch to the minister of foreign affairs, you are authorized to do so. The decision on this point is left to your discretion.

I am, &c.,

JAMES G. BLAINE.

No. 121.

Mr. Kilpatrick to Mr. Blaine.

No. 3.] LEGATION OF THE UNITED STATES,
Santiago, Chili, August 15, 1881. (Received September 22.)

SIR: The considerations and instructions contained in your dispatch No. 2, dated June 15, 1881, relating to the course Chili should pursue in the final settlement of peace with Peru, have received my earnest attention.

You say in your dispatch that—

> The Department will be exceedingly gratified if your influence as the representative of the United States shall be instrumental in inducing the Government of Chili to give its aid and support to the restoration of regular constitutional government in Peru, and to postpone the final settlement of all questions of territorial annexation to the diplomatic negotiations, which can then be resumed with the certainty of a just, friendly, and satisfactory conclusion.

If I understand you aright this is the full intent and purport of your dispatch.

Taking this for granted, I have the honor to report that, so far as the assurances of public men can be relied upon, your instructions have been complied with, your ideas of final terms of peace accepted, not only by the present administration at Santiago, but, still better, by Señor Santa Maria, the President elect, whose administration will have begun when you receive this note.

I beg your patient attention to the somewhat lengthy explanation I am compelled to make of my action in the matter.

As soon as I received your instructions I made inquiries to ascertain the real intention of the Government of Chili regarding peace with Peru. For a time I was completely misled; it seemed as if the government had no plan, but would leave the whole matter of final settlement to the incoming administration. In this I was mistaken, as were the public men of Chili with whom I conversed, outside the President and his cabinet. I discovered later on that the President was alarmed at the views you advanced, delicately brought to his attention, and in all probability would not be inclined to accept them. I at once became satisfied that the President and his cabinet held not only other views, but were contemplating absolute peace with the Government of Señor Calderon. I therefore did not deem it wise to acquaint the Secretary of State and the President with the full purport of your dispatch. I adopted what I thought to be a wiser course; I called upon Señor Louis Aldunate, the first friend of the President elect, a gentleman of great ability, who, I have reason to know, will occupy the first position in the cabinet of President-elect Santa Maria. I read him your dispatch, and at the same time informed him of my belief regarding the intention of President Pinto. After a full discussion of each separate point, and explanations of what I believed to be the result of misinformation on your part regarding "annexation of hostile territory," (to which I will refer again) your views were substantially accepted as wise and just. Señor Aldunate immediately acquainted President-elect Santa Maria with the contents of your note, and both have assured me—

> That not one foot of Peruvian territory will be exacted by force unless all efforts of diplomatic negotiations shall fail, and that in no case can Chili treat finally with the Government of Señor Calderon until it shall appear that his government is re-

spected and obeyed throughout Peru, which does not obtain at this moment. That no doubt President Pinto would like to celebrate the last days of his administration by a proclamation of peace with Peru, with the Government of Calderon, a government with out a single element that constitutes a real government, and that would fall at once but for Chilian protection.

I was invited to attend Congress the following day, when the government would be interpolated regarding its plans and purposes. I went, found the House crowded with people, and, amid great excitement, heard the cabinet of President Pinto questioned and worried by Señor Lira, the first orator of Chili. I intended to send you translations of the speeches in this debate, but am too unwell to attempt it. I have been confined to my bed the greater portion of the time since my arrival in Chili. This debate developed the fact that President Pinto was contemplating peace with the Government of Calderon—peace which, from the nature of the debate, I was satisfied, must of necessity include territorial annexation. Intimate friends of the administration not only confirmed this belief, but convinced me further that President Pinto was determined to accomplish his purpose; that he yet had time, and that the Government of Calderon was in no condition to refuse any conditions Chili might impose. How to prevent this without giving offense to President Pinto I could not satisfactorily answer. I had gained the incoming administration; this was not sufficient. I determined finally to approach the administration, and change its purpose if possible. I sent for Señor Aldunate and Señor George Huneens, the solicitor for the government whose name you will find frequently mentioned in the paper relating to the Arica conference, and asked them to arrange for me a meeting with the secretary of state and secretary of war, the dominant members of the President's cabinet.

After some delay this was agreed upon, and a conference was held at my house last night between Señor Valderrama, secretary of state, Señor Vergara, secretary of war, Aldunate, and Huneens. The conference lasted from 7 p. m. till one in the morning. I am too ill to give you a full account of the meeting; the result is all I can forward at this time.

Your dispatch was read and fully considered, and its advice and suggestions pressed upon the secretary of state. He finally replied. "The ideas indicated by Secretary Blaine are in direct conflict with those held by the Government of Chili, and if we abandon our policy it is out of respect for the opinion of the administration at Washington. You may therefore say to your government, that every effort would be given by Chili to strengthen the Government of President Calderon, giving to it the most perfect freedom of action, considering the Chilian occupation. That no question of territorial annexation would be touched until a constitutional government could be established in Peru, acknowledged and respected by the people, with full powers to enter into diplomatic negotiations for peace. That no territory would be exacted unless Chili failed to secure ample and just indemnification in other and satisfactory ways, as also ample security for the future, and that in no case would Chili exact territory save when Chilian enterprise and Chilian capital had developed the deserts, and where to-day nine-tenths of the people were Chilians; and finally that Chili would never consent to submit her rights gained in battle to the arbitration of any European power." This embraces, I think, all the important points contained in your dispatch; and if so, then I trust I have, fulfilled my instructions.

The character of the territory, its people, &c., that Chili may finally be compelled to demand, I will speak of in my next communication. One

other matter and I have done. The secretary of state has just placed in my hands the following telegram, dated Lima, August 16:

Hurlbut, the United States minister, has notified Calderon that the United States will under no circumstances permit annexation of territory to Chili; he has also repeated this statement to outside parties. It is now the subject of conversation here, complicates and endangers our occupation.

LYNCH,
Commandant in Chief.

If this be true, which I cannot believe, it will not only create bad feeling here in Chili, but compromise my action. Certainly it is not in conformity with my instructions, for you distinctly say Peru and Bolivia should be allowed to offer such indemnity and guarantee *before the annexation of territory, which is the right of conquest*, is insisted upon." Again, you say, "If these fail to offer what is a reasonable, sufficient indemnity and guarantee, then it becomes a fair subject of consideration whether such territory may not be exacted as the necessary price of peace." In no way can the letter or spirit of your dispatch be tortured into saying "The United States will not permit in any case annexation of territory to Chili." General Hurlbut has not sent me the Department cipher, or I would telegraph him, that he may know that he has been misunderstood or misinterpreted, and in time correct false impressions. If my mission is a delicate one, his is still more so, for he has two governments to deal with, the Chilian Government, under Lynch, and the provincial government of Calderon. I have done what I could to satisfy the secretary of state that there must be some mistake; that you would not send one class of instructions to me and another to our minister at Lima.

Very, &c.,

J. KILPATRICK.

No. 122.

Mr. Kilpatrick to Mr. Blaine.

No. 8.] LEGATION OF THE UNITED STATES,
Santiago, Chili, October 14, 1881. (Received November 18.)

SIR: I have the honor to inclose copies of Señor Balmaceda's note of the 8th instant, and my reply of same date.

In a previous communication I called your attention to the great disquiet caused by the tenor of General Hurlbut's remarks when presented to Señor Garcia Calderon. This was soon largely increased by telegrams from persons in high position in Buenos Ayres, stating, in the most positive terms, my government had determined to prevent any annexation of Peruvian territory, and to oblige Chili to accept an indemnity in money or its equivalent. It was further added to by the general's note to Señor Garcia Calderon, and by the reports of his general and private conversation, in which he apparently confirmed the position assumed to have been taken by my government; and, lastly, by the terms of his memorandum to Admiral Lynch.

In replying to Señor Balmaceda, I deemed the time had arrived for me, as far as my strength would permit, to take advantage of the authority given in my instructions, and to make clear to the Government of Chili the entire uniformity in the instructions to both legations, and to establish beyond a doubt that my government holds fast to the policy

adopted at the commencement of the war. I have ample assurances that my note has given great satisfaction.

Regretting the unfortunate state of my health will not, for the moment, allow a more exhaustive statement of affairs, and trusting my action will meet your approval,

I am, &c.,

J. KILPATRICK.

[Inclosure in No. 8.]

Mr. Kilpatrick to Mr. Balmaceda.

UNITED STATES LEGATION,
Santiago, October 8, 1881.

SIR: I have the honor of acknowledging the receipt of your excellency's note of this date, in which you call my attention to the fact that the daily papers of Valparaiso and of this capital have given publicity to a mémorandum sent by my colleague in Lima, the honorable Mr. Hurlbut, to Rear-Admiral Lynch, commander of the Chilian forces in the capital of Peru. Your excellency is surprised at the publicity given to a confidential document "of little importance, considering the form and circumstances under which the same was produced." Your excellency therefore considers it convenient to direct a note to this legation "with the view of establishing the good faith and sincerity of the relations so happily cultivated by our respective governments."

Although, as your excellency is aware, I have been for some weeks past, and still am, seriously unwell, recognizing as I do the serious consequences, complications, and misunderstandings that might possibly arise, consequent from the unwise publicity of the memorandum of Mr. Hurlbut to Rear-Admiral Lynch, and the spirit thereof, at least so far as may be judged from the document as published, the circumstances oblige me, despite the warnings of my medical advisers, to accede without delay to the wishes expressed by your excellency, and replying, although perhaps not in so definite a manner as, owing to the occasion, I should desire.

In the first place allow me to assure your excellency in most unequivocal manner the Government of Chili has no reason for disquietude, either as respects the intention or the attitude that my government may assume as to the war on the Pacific coast. The Government of the United States has not at any time interfered officiously in the public affairs of other countries, not even when its own interests have been compromised, and much less would it do so when the interests involved are those of friendly nations respecting whom there can be no motive inducing it to partiality.

I had read the memorandum of Mr. Hurlbut, as also the speech at his reception by President Garcia Calderon, both articles having been forwarded to me from Lima some time since, and I at once communicated with my government regarding the same. The first of said documents cannot be considered as having either official or diplomatic character, as the author himself says in the note of which your excellency has sent me a copy.

The instructions given me by my government are, undoubtedly, the same as those given Mr. Hurlbut, and it may be said in truth that they have none of the spirit predominating in the document to which your excellency alludes. The instructions of the Secretary of State, Hon. Mr. Blaine, contain nothing of doubtful meaning, he having such decided confidence in the intelligence, justice, and generosity of the Government of Chili that he authorized me to make them known to his excellency the President, or his minister, should I at any time consider it convenient to communicate them.

In order that no room for doubt may exist in your excellency's mind as to the position of my government in regard to the conditions of peace between Chili and Peru, and its determination to abstain from taking any part in the matter, I have no hesitation in subjoining a copy of a paragraph of said instructions which reads as follows:

"Since the suspension of the Arica conferences the war has ended in a complete success for Chili, and in what may be considered as little less than the conquest of Peru. This government cannot undertake to suppose that the offer of a friendly intervention in questions still pending would be agreeable to the Government of Chili. But I am sure the Government of Chili will appreciate the natural and profound interest taken by the United States in the ending of a situation so calamitous in its results to the best interests of the South American republics. The Government of Chili must also know that if at any time the interposition of the good offices of this government will contribute to the re-establishment of friendly relations, they (the United States) will promptly offer it whenever it manifests such wish.'

It is further added in these instructions that in all conversation with persons of your excellency's government on this subject I am to observe established international law, and that under no condition whatever am I to offer unsought advice to the Government of Chili.

Again, in speaking of the provisional government of Señor Garcia Calderon, which the administration at Washington hoped to have seen established, my instructions are to encourage the same only to the extent that it may be done in a dignified and neutral way by a plenipotentiary, without officious interposition.

I think these extracts of the instructions given me by my government will be sufficient to convince your excellency that there exists, no intention on the part of my government of interfering arbitrarily in the conflict existing on the Pacific coast, and that its acts and conduct are those of a friendly nation desirous of proceeding in the most delicate manner.

I trust, therefore, that your excellency's government will continue its full confidence in the long and well-established policy of the United States, whose friendship has lasted so many years and has never been more sincere than at the present moment.

With the considerations of the highest regards and esteem,

I am, &c.,

J. KILPATRICK.

No. 123.

Mr. Martinez to Mr. Blaine.

LEGATION OF CHILI,
Washington, October 24, 1881.

SIR: To-morrow, or the day after, I shall have the pleasure to call on you in order to deliver two autograph letters from the President of Chili.

In the mean time I allow myself to inclose some articles published in some of the newspapers, which will let you know the political course which Minister Hurlbut has been pursuing in Peru.

The New York Herald published the letter written by Mr. Hurlbut to Garcia i Garcia, Piérola's only minister, in which he decisively declares that Peru will never yield any portion of her territory to Chili.

Other paper, cut out from the National Republican of this city, contains a communication relating to the clandestine or fraudulent emission of bank-notes emitted by Garcia Calderon, and which compelled General Lynch to act in the manner that I spoke of in our last intercourse.

The third article, published in the New York Evening Post, is very sensibly written, and in which Mr. Hurlbut's diplomatic conduct is very accurately criticised.

I have also a copy in Spanish of the letter addressed by Minister Hurlbut to General Lynch, after the occupation of the fiscal office of Garcia Calderon. This letter is written more or less in the same sense as that addressed to Garcia y Garcia.

With sentiments of my highest consideration, I am your obedient servant,

M. MARTINEZ.

[Extract from New York Herald.]

GENERAL HURLBUT'S LETTER.

The following is a translation from the Spanish of the original letter written in English by General Hurlbut, the United States minister here, to Don Aurelio Garcia y Garcia, secretary-general of Don Nicolas de Piérola. The letter was intended to be private, and, indeed, is only from one gentleman to another; but the government here found it so pleasing and so much to the point, that its publicity in Lima to-day is

owing to such partiality. When Mr. Hurlbut penned the communication he never thought it would see the light in Lima. To say that it has caused a sensation would be to underrate the truth, and the truth contained in it cannot be controverted:

LIMA, *September* 12, 1881.

To AURELIO GARCIA Y GARCIA, Esq.,
Ayacucho:

SIR: I have the honor to own receipt of your letter dated August 28 last. In answer allow me to observe that I hardly consider it proper to discuss the internal affairs of Peru, if not replying to some formal and proper invitation to do so. But since yours gives me an opportunity to express to you particularly my frank opinion, I shall so proceed, and at the same time employing all the kindness possible. It is an accepted fact that ours is a republic, governed by a constitution which is regarded as the supreme law. Mr. Piérola took possession of the reins of power and arrogated to himself an authority not recognized by that constitution; these were acts in themselves revolutionary and contrary to the true obedience required by law. The violent and compulsory manner by which that revolution was effected stamped the act itself as being a crime against liberty. The dictatorship was nothing but an autocratic and despotic tyranny, not only in its plan, but in its name and actions. While it lasted the constitutional government of Peru was overwhelmed by the will of one man, which replaced the laws and the regimen of the constitution. The people of Peru, in the midst of the perplexities of a war of invasion, accepted this autocracy, believing that victory was to be achieved under its banners.

Foreign nations acknowledged this power as a government *de facto*, but never gave their approval to either its origin or the system followed. Instead of victory, the dictatorship brought as a result terrible defeats, and the Dictator fled from the capital. The people of Peru have not had since that moment an opportunity to freely express ther will and sympathy. According to the constitution, the National Assembly—the minister refers to that of Ayacucho—has no right to exist, and its resolutions or laws have no more legal weight than the opinions expressed by a similar number of simple citizens. Therefore the confirmation of the full and autocratic faculties given to the ex-dictator, under his new title of President, confer no further validity in the eyes of the law to his authority and pretensions.

I am obliged, for this reason, and to my regret, to say to you that the last decrees issued in Ayacucho, regarding the persons and property of those citizens who decline to recognize Mr. Piérola are inhuman and barbarous, and serve to place the government employing such measures beyond the pale of the law. (Mr. Hurlbut refers to a wholesale decree of confiscation and death issued by Piérola, but which has not yet caused any great alarm among his opponents.) These violent decrees are, according to my way of thinking, conclusive proofs that the government of which you form a part is only supported by force, and not by the weight of public opinion. A strong government, resting or based on public opinion and sovereign will, never appeals to such cruel means of devastation. Such methods oblige civilized governments to regard with reprobation the authorities employing them. I think I have said all that I think is my duty respecting the government presided over by Mr. Piérola. The administration of Mr. Garcia Calderon does not pretend to be perfectly regular in its formation. It is provisional, that is, a transitory means of exercising governmental functions until such time as the nation may act directly and without pressure. It is supported by Congress, a national Congress recognized by the constitution, and it is the embodiment of an effort toward the re-establishment in this country of a properly organized and constitutional government. You are mistaken in stating that this government of Mr. Garcia Calderon meets with Chilian sympathy; it desires peace, as does the entire country, but without sacrificing national honor, nor will it cede territory *to obtain* that peace. The Chilian authorities are in communication with both parties, and even you have written to Admiral Lynch. Chili desires and asks for the territory of Tarapacá, and will recognize the party ceding it. The cabinet of Garcia Calderon will not consent to this cession; it remains to be seen if Mr. Piérola will do so. Meanwhile, under the regimen inaugurated in Ayacucho and put in practice by the prefects, Peruvians are to-day more deadly enemies to themselves than are the Chilians, and the efforts of those friendly to Peru are paralyzed on account of these internal dissensions. When the United States asks Chili why she cannot make peace, the answer is that no one can be found in Peru to treat with.

Is it not better to put an end to this state of affairs, and for all true Peruvians to unite under one chief, whose authority would be acknowledged and protected by all parties and factions, in order to save the country from its imminent ruin, to establish peace, and restore the proper and pacific supremacy of the constitution and the law?

I have the honor, &c.,

S. A. HURLBUT.

No. 124.

Mr. Martinez to Mr. Blaine.

[Translation.]

The envoy extraordinary and minister plenipotentiary of Chili has the honor to present his respects to his excellency the Secretary of State, and to inclose herewith, pursuant to the request his excellency was pleased to make, a copy of the confidential dispatch of the minister for foreign affairs of Chili, dated the 12th of September last.

WASHINGTON, *October* 27, 1881.

[Inclosure.—Translation.]

Mr. Valderrama to Mr. Martinez.

Confidential.] SANTIAGO, *September* 12, 1881.

By dispatches which were in due season addressed to you by Don Joaquin Godoy from Lima you will have been informed of the very uncircumspect conduct of the minister of the United States recently accredited to the provisional government of Señor Garcia Calderon.

From the time of his arrival at Lima Mr. Hurlburt has omitted no signs of decided partiality in favor of Peru, giving it to be understood that the Government of the United States would resist any arrangement which Chili might endeavor to effect with that republic, and which might involve the cession of any part of its territory.

These ideas, which obtained a footing among the public men of Peru, acquired still greater persistence after the address delivered by the American minister on the public occasion of presenting his credentials to the provisional President. From that moment Mr. Garcia Calderon, the members of his cabinet, and all persons who had any influence whatever upon the public opinion, deemed themselves encouraged by the words and demonstrations of the representative of the United States, believing that they saw therein the expression of the policy which the Cabinet at Washington proposed to adopt.

Our plenipotentiary, Mr. Godoy, carefully observed the reaction which was brought about in the Peruvian mind by the conduct of Mr. Hurlbut. To the negotiations which have been initiated in a conciliatory and accommodating spirit before the arrival of the American minister, there succeeded after his arrival a sudden and unlooked-for change, the explanation of which can only be attributed to the influence, directly or indirectly, produced by the attitude of the representative of the United States. In this state of affairs our plenipotentiary deemed it proper to suspend the negotiations already set on foot, and went to Chili to confer with my government.

Being desirous of inquiring if the conduct of Mr. Hurlbut responded to a political plan of his government, I held a conference with Mr. Kilpatrick, who expressed himself dissatisfied with the manner in which his colleague in Lima had begun his diplomatic mission. Mr. Kilpatrick did not hesitate to affirm that Mr. Hurlbut did not faithfully represent the policy of abstention and neutrality of his government. In order to relieve my government of all unfounded apprehension in this respect, he made me acquainted with the dispatch which contained his own instructions, adding that the instructions given his colleage at Lima, who was appointed at the same time, could not but be in entire conformity with his own.

In those instructions, and in the part thereof which refers to the war between Chili, Peru, and Bolivia, the Government of the United States shows itself in entire conformity with its previous policy. It exhibits the intention of not interfering in the solution of the war, except in the case of its good offices being solicited by all the belligerents. As respects the cession of a part of the Peruvian territory, the Government of the United States expresses no surprise whatever that such should appear among the conditions of peace. It observes, in passing, that it would be expedient if the territorial cession should not comprise cities whose inhabitants are exclusively Peruvians, and should not desire to choose the citizenship of our country. But this last appears rather a friendly reflection than as an exigency of American policy.

Meanwhile it is not possible to ignore the fact that the presence of Mr. Hurlbut in Lima has been in a high degree prejudicial to the conclusion of arrangements for peace. I have ground to believe that he continues to place at the service of the purposes of

the provisional government all the influence which can be given by the representative character he holds.

As late as yesterday I learned, in a confidential way, but one entirely trustworthy, that he has sent a telegram to Mr. Kilpatrick, in Santiago, begging him to forward it to his colleague at Buenos Ayres. In this telegram Mr. Hurlbut seconded, doubtless, the plans of Mr. Garcia Calderon, and asks his colleague in Buenos Ayres that he should represent to the Argentine cabinet the urgent necessity of accrediting, without loss of time, a representative at Lima. There are reasons to think that the government of Señor Garcia Calderon would welcome the presence of an Argentine minister in Peru, in order to seek therefrom mild or effective aid against us.

These considerations, to which you will give all the importance which they themselves possess, induce me to charge you to endeavor to see the Secretary of State, in order to let him see, in a confidential and delicate way, the manner in which Mr. Hurlbut is interpreting his policy in Peru. You will endeavor, also, with the greatest discretion, to *obtain from the American Government some act or declaration which will tend to destroy the bad impression caused by the conduct of their representative in Lima*, to avoid in future that he shall continue to create difficulties foreign to his official character, and contrary to the ever friendly and loyal policy of the United States.

May God guard you.

MELQUIADES VALDERRAMA.

Señor Don MARCIAL MARTINLZ, *&c., &c., &c.*

No. 125.

Mr. Martinez to Mr. Blaine.

LEGACION DE CHILE,
Washington, October 28, 1881.

SIR: Yesterday when I read to you Admiral Lynch's letter I made you remark that this gentleman said that he was going to take possession of the offices belonging to Garcia Calderon without giving previous knowledge of this act to anybody, in order that the important papers might not be hidden. But I have just had another letter from Mr. Lynch, telling me that he thought it more prudent to let Mr. Garcia Calderon himself know about what he was going to do. He assures me that that gentleman consulted Minister Hurlbut and some of the senators and deputies, and consequently addressed to Mr. Lynch a very original and eccentric letter. This same letter has been published in the Lima papers, and now I have it in my possession. Lynch answered it immediately.

Garcia Calderon and his friends spoke about the American fleet meeting at Callao. In fact, Mr. Hurlbut called the admiral-in-chief, who thought that there had been an insurrection in Lima, occasioned by the withdrawal of the Chilian troops. He was greatly surprised at finding everything in peace. The American admiral does perfect justice to the Chilians.

Seeing General Lynch that Garcia Calderon persisted in giving himself Presidential airs, although he had no offices nor territory to rule, thought that this queer conduct arose from that fiscal emission of bank-notes that I have mentioned to you; so that the Chilian chief had to issue a decree to put a stop to that affair.

I make these explanations, so that you might see that Mr. Lynch's conduct has been perfectly correct.

I am, sir, yours, obedient,

M. MARTINEZ.

No. 126.

Mr. Blaine to Mr. Kilpatrick.

No. 13.] DEPARTMENT OF STATE,
Washington, November 22, 1881.

SIR: Your dispatch, No. 8, conveying a copy of your reply to Señor Balmaseda has been received. The communication to which it was a reply should have accompanied it, in order that the Department could properly judge of your answer.

Your letter is not approved by the Department. You had had ample opportunity, and, as you have before stated, availed yourself of it, to make known to the Government of Chili the scope of your instructions, and to give it abundant assurance of the friendly feeling of your own government.

If the conduct of Mr. Hurlbut in Peru had given sufficient ground of complaint to the Chilian Government, that complaint should have been made in Washington. Mr. Hurlbut's presentation speech to President Calderon, his memorandum to Admiral Lynch, his letter to Garcia, and telegraphic reports from Buenos Ayres, were not subjects upon which you were called to pass judgment, nor upon which you should have been interrogated by the Chilian Government. Nothing in your conduct or language had excited its apprehensions, and no explanation was due or could have been expected from you, of the language or conduct of your colleague in Peru. I should have been glad if it had occurred to you to call the attention of the secretary for foreign affairs to the impropriety of such a communication, and, in referring to the fact, that your instructions, which you were authorized to communicate to him, gave all the assurance which he could either desire or ask, of the friendly disposition of the United States, I should have much preferred that you had furnished him with a copy of those instructions instead of submitting a paraphrase which does not fully represent their spirit and meaning.

Indeed, I find it difficult to understand how the Chilian Government could have been under any misapprehension as to the disposition or purpose of the United States, when the instructions both to yourself and to Mr. Hurlbut had, in fact, been already frankly communicated; the former, according to your dispatch No. 3, to the outgoing administration, and the latter by this Department to Mr. Martinez, the representative of the present government. It is still more difficult to understand the abolition of the Calderon Government and the arrest of the President himself, in the face of your assurance in your dispatch No. 3, where you quote the following as having been addressed to you by Señor Valderrama, viz:

> You are therefore authorized to say to your government that every effort would be given by Chili to strengthen the government of President Calderon, giving to it the most perfect freedom of action, considering the Chilian occupation. That no question of territorial annexation would be touched until a constitutional government could be established in Peru, acknowledged and respected by the people, with full powers to enter into diplomatic negotiations for peace.

And it would only have been natural if you had asked, for the information of your government, if not for your own, for what reasons and by what means the Calderon government had, as Señor Balmaseda informed you, "come to an end."

The President has learned with great regret of the arrest and removal of President Calderon, but in the present state of his information will

not undertake to appreciate its significance. He hopes that he will, when the facts are better known, be relieved from the painful impression that it was intended as a rebuke to the friendly disposition of the United States. The present condition of affairs, the difficulty of prompt communication with the legations of Peru and Chili, and the unfortunate notoriety of the differences between your colleague in Peru and yourself, have, in the judgment of the President, rendered a special mission necessary. You will inform the Chilian Government that a special envoy will be immediately sent, and you will assure that government that he will come in the spirit of impartial friendship, anxious to learn that recent occurrences have not been intended to disturb the long-continued and friendly relations existing between us; and instructed by the President to lay before the Chilian Government frankly, but with a scrupulous consideration for the rights and interests of that government, the views which he holds upon the deplorable condition of affairs in South America, a condition now fast assuming proportions which make its settlement a matter of deep concern to all the republics of the continent. The President cannot but anticipate that this step, suggested by the most friendly interest and justified by our existing relations, will be properly appreciated by the Chilian Government; and he sincerely hopes that no action of that government will tend further to complicate existing difficulties before the arrival of the minister.

I am, &c.,

JAMES G. BLAINE.

No. 127.

Mr. Blaine to Mr Kilpatrick.

[Telegram.]

WASHINGTON, *November* 25, 1881.

United States does not understand the abolition of Calderon Government and his arrest. Special envoy leaves Washington for Chili immediately. President hopes further action will await his arrival.

BLAINE,
Secretary.

No. 128.

Mr. Martinez to Mr. Blaine.

LEGATION OF CHILI,
Washington, November 26, 1881.

SIR: Yielding to the purpose of communicating to the Department of State the actual course of events that occur on the Pacific coast, I shall briefly refer to the authentic intelligences that I have had by the last mail.

Several of the military chiefs in Arequipa, availing themselves of the absence of Piérola and Colonel Solar, declared themselves in favor of the late provisional government of Garcia Calderon, giving the three following reasons for so doing.

1st. That Piérola's tyranny was absolutely intolerable. That the country could not carry on the war with Chili, and that the United States had offered their intervention, in order to obtain an agreement of peace that did not comprise territorial cession. Certainly those patriots did not explain how Peru could otherwise answer the claims of Chili.

Some time afterwards Rear Admiral Montero, who had been for some months past inactive on the Cajamarca mountains, accepted the irregular and unconstitutional offer for the vice-presidency of the republic. In his letter of acceptance, dated last October 23, he made declarations which are absolutely necessary that your excellency should hear of, to know on what illusions the Peruvian leaders found their politics, and also to know the role the American legation is made to assume in all those affairs.

The philosphy arising from the facts that I am going to state, is that, while these illusions and hopes are being kept up, peace will be impossible.

Montero says:

> The noble officiousness of the Government of the United States, manifested in the documents which have successively been published, even the definite declarations comprised in the letter written at the request of the notables of Lima by the honorable minister plenipotentiary from Washington (letter which nobody has seen) which has completely changed the situation, and consequently its proper resolution.

He adds, that he has officially communicated his resolution to the representative of the United States, in a dispatch directed on the same date. He finally states that "his noble wishes of increasing the elements to defend his country are greatly gratified"! and concludes, assuring that "he redoubles his activity to multiply the necessary elements in order to be always ready for its support, till he sees the final issue of the diplomatic affairs with Chili"!

If, as it is said, Garcia Calderon has been imprisoned because he insisted upon sneering the decree of the Chilian general within the limits of the Chilian forces, it is probable that Montero will represent the provisional government, and I beg your excellency to remark that this chief assures he has forces, and that he is desirous to have more to continue their armed resistance against Chili.

The protest of all these chiefs against a territorial cession is established on the chimerical intervention of the United States, warranted by Minister Hurlbut, to whom Montero has addressed himself as his immediate superior.

Your excellency's deep penetration will judge in the same way that I do, I allow so to express myself, this queer and anomalous situation. All that is extraordinary and unexpected in the affairs of Peru will very often, I have no doubt, call your excellency's attention, and will too often explain that providence did not endow that country with any logic.

I have some reasons to believe that in some information sent from Lima to the Department of State they insist on saying that the indemnification which Chili pretends to ask exceeds the limits of justice, and that the authorities in Lima have acted very cruelly towards the Peruvians.

Both informations, if they are known to your excellency, are entirely erroneous.

As to the indemnification, I will only say that those who think exaggerated the claims of Chili, entitled as it is by the perfect right of its actual situation, are under a mistake, for they are moderate and equitable, as it will probably be demonstrated as international courtesy when the time comes to make them practicable. Those who think otherwise

do not, either out of dislike, or want of knowledge in the matter, being for the rest no judges to give their opinions in businesses that do not concern them.

As for the second information, the want of truth is but too plain. If any good quality is to be precisely acknowledged in the Chilians, it is that of not being sanguinary. It can be assured that in the space of eight years not more than three or four capital executions ever occur in Chili.

When the Chilian army occupied Lima the general in chief invited the Peruvian tribunals to continue in their functions, and they absolutely refused. It was necessary to establish a military tribunal, ruled under martial law, to maintain the public peace.

In a country greatly demoralized and given up to anarchy, like Peru, it was neccssary to give examples of rigor, and nevertheless there have been but few condemned to death, and those for acts of unheard of cruelty.

Meanwhile the society in Lima rests quietly under the auspices of peace and order guaranteed by the Chilians.

I shall continue to communicate to your excellency my informations, and, in doing so this time, I renew my sentiments of highest consideration.

M. MARTINEZ.

No. 129.

Mr. Blaine to Mr. Kilpatrick.

No. 16.] DEPARTMENT OF STATE,
Washington, November 30, 1881.

SIR: You have already been made acquainted by my No. 13, of the 22d instant, with the determination of this government to send a special mission to South America for the purpose of adjusting whatever questions growing out of the contest between Chili and Peru and Bolivia may affect the relation of the United States to the three belligerent powers, or conduce to the restoration of good understanding among them.

I have now to inform you that William Henry Trescot, esquire, of South Carolina, has been commissioned as special envoy, with the rank of minister plenipotentiary, to the republics of Chili, Peru, and Bolivia, and will forthwith set out upon his mission.

The commission which Mr. Trescot receives will not supersede the ordinary duties of yourself and your colleagues at Lima and La Paz; but all communications and negotiations connected with the settlement of the pending difficulties between Chili, Peru, and Bolivia, so far as this government may deem it judicious to take action, will be transferred to Mr. Trescot's charge.

Under the instructions which have been given to Mr. Trescot, he will place himself in direct communication with the several governments to which he is thus specially accredited. It is, however, expected that he will learn from you and your colleagues the exact condition of existing political relations, and receive such suggestions as your recent experience may enable you to submit for his consideration. The action he may take, however, must be decided upon his own responsibility, and in the exercise of his independent authority.

Mr. Trescot will be accompanied on this important mission by the Third Assistant Secretary of State. As it may be necessary to consult the representatives of the United States in Chili, Peru, and Bolivia at the same time, or to conduct a simultaneous negotiation with those governments, Mr. Trescot is empowered by the President of the United States to authorize Mr. Walker Blaine to represent the United States at any point where this necessity may occur.

I am, sir, your obedient servant,

JAMES G. BLAINE.

No. 130.

Mr. Blaine to Mr. Trescot.

No. 1.] DEPARTMENT OF STATE,
Washington, November 30, 1881.

SIR: You will receive herewith your commission as special envoy with the rank of minister plenipotentiary to the republics of Chili, Peru, and Bolivia. This commission will not supersede the ordinary duties of the ministers plenipotentiary and resident now accredited to those governments. But, as they will be duly informed, all communications and negotiations connected with the settlement of the pending difficulties between Chili, Peru, and Bolivia, so far as this government may deem it judicious to take action, will be transferred to your charge. Under the instructions which will be furnished, you will place yourself in direct communication with those governments; but it is expected, as I am sure you would desire, that you should learn from the United States ministers now there the exact condition of existing political relations, and that you will give due regard to such suggestions as their recent experience enables them to submit to your consideration. Whatever action, however, you may take, must be decided upon your own responsibility, and will be in the exercise of your independent authority.

After full consideration of your suggestion that it may be necessary to conduct the same negotiation at more than one point, the President has directed the Third Assistant Secretary of State to accompany you. Should the occasion which you anticipate arise, you are authorized to give Mr. Blaine the necessary instructions; his official rank in the department, and his detail for special service on this mission, being sufficient to authorize him, without a formal commission, to execute your instructions.

Your expenses, and those of the Third Assistant Secretary who accompanies you going and returning, and such as are incidental to your residence in South America and the mission upon which you are sent, will be allowed by this Department, in the confidence that with due regard to the proprieties of your position and the duties with which you are charged, these expenses will be reasonably and carefully regulated.

You will receive herewith an advance of two thousand dollars ($2,000), which will be charged to your expense account.

In the final settlement of your account for expenses, you will be required to furnish this Department with a certificate that the amounts charged have been actually expended for that purpose.

You are authorized to expend for clerical services, while engaged upon the special mission, a sum not to exceed fifteen hundred dollars ($1,500), for which you will return the proper vouchers.

Your compensation for the special mission is hereby fixed at ten thousand dollars ($10,000), upon which an allowance not to exceed $1,000 will be made to you forthwith, to be charged to your compensation account.

You are also authorized to draw upon the Secretary of State from time to time, against your compensation allowance, in sums not to exceed one thousand dollars monthly, commencing from January 1, 1882, provided the total amount of such drafts shall not exceed five thousand dollars, leaving the remainder to be adjusted at the close of your mission.

I am, &c.,

JAMES G. BLAINE.

No. 131.

Mr. Blaine to Mr. Walker Blaine.

DEPARTMENT OF STATE,
Washington, November 30, 1881.

SIR: You are aware that the President has deemed it proper to send a special mission to Chili, Peru, and Bolivia, and that the honorable William Henry Trescot, of South Carolina, has been appointed special envoy.

As it is probable that the contemplated negotiations will have to be conducted at the same time at different points, you will, by direction of the President of the United States, be attached to this mission, on special service, with your official rank as Third Assistant Secretary of State. Mr. Trescot is authorized to empower you to represent the government in any of the countries named, should the necessity occur, under such instructions as he shall give you, and he is directed, in case of his own absence, to place the mission under your charge during such absence.

While with Mr. Trescot, you will render such assistance in the discharge of his duties as he may require.

As you are already a salaried officer of the United States, no compensation can be given you beyond the repayment of your proper and necessary expenses, for which you will render an account, with such vouchers as may be obtainable, such account to be audited by the Secretary of State.

You will, in the course of your special service, communicate freely with the Department, by telegraph and in cipher, when practicable and requisite; and you will from time to time receive such instructions as may be necessary.

The Secretary of the Navy has directed the commanders of our national vessels on the South American Pacific coast to assist Mr. Trescot's movements and yours in all possible ways. To this end, a vessel of war will await your arrival at Panama.

Trusting that the success of this mission will meet the confident expectations of the President and of this Department,

I am, sir, &c.,

JAMES G. BLAINE.

No. 132.

Mr. Blaine to Mr. Trescot.

No. 2.] DEPARTMENT OF STATE,
Washington, December 1, 1881.

SIR: While the circumstances under which the President has deemed it proper to charge you with a special mission to the republics of Chili, Peru, and Bolivia, render it necessary that very much must be confided to your own discretion, it is desirable that you should be placed in full possession of his views as to the general line of conduct which you will be expected to pursue.

For this purpose it is not necessary at present to go further back in the history of the unfortunate relations between Chili on the one hand and Peru and Bolivia on the other, than the time when the defeat of General Piérola, his abandonment of the capital and the coast and their occupation by the Chilian army seemed to have put an end to all responsible native government in Peru. Lima having been surrendered on the 19th January, 1881, Piérola driven across the mountains, the Chilian military occupation consolidated, and the Chilian Government refusing to recognize Piérola as representing the Government of Peru, it became absolutely necessary that some government should be established, if Peru was not to remain simply a military district of Chili.

On February 25, 1881, Mr. Christiancy, the United States minister at Lima, wrote this Department as follows:

A movement has, therefore, been initiated among some of the leading citizens of Lima and Callao, *and encouraged by the Chilian authorities*, to establish a new government in opposition to that of Piérola [who is still at Tacna or Yareja].

From this date to April 13, 1881, Mr. Christiancy kept the Department informed of the probabilities of the establishment of the Calderon government, so called from the name of the eminent Peruvian statesman who had been chosen as President. On that date he wrote:

In my own private opinion, however, if the provisional government had come up without any appearance of support from the Chilian authorities, it would have had many elements of popularity and would probably have succeeded in obtaining the acquiescence of the people. This new government realizes the importance of an early peace with Chili, the necessity of which must be recognized by every thoughtful man; while that of Piérola professes to intend to carry on the war; but it has no means for the purpose at present, and my own opinion is that any effort to do so will end in still greater calamities to Peru.

On May 23, the same minister, in a postscript to his dispatch of the 17th, says:

Since writing the above it has become still more probable that the threat of "indefinite occupation" was intended only to drive the Peruvians into the support of the provisional government, as two days ago they allowed the government to send seventy-five soldiers to Tacna, Oroyo, &c., to control that part of the country, so as to allow the members of Congress to come to Lima; and it now begins to look as if Calderon might secure a quorum (two-thirds) of the Congress. If he does succeed, it will be some evidence that Peru acquiesces in that government. And if he gets the two-thirds of the members, I think I shall recognize the provisional government, or that of the Congress and the President they may elect, unless in the mean time I shall receive other instructions.

On the 9th of May, 1881, instructions had been sent to him from the Department, which crossed this dispatch, in which he was told:

If the Calderon government is supported by the character and intelligence of Peru, and is really endeavoring to restore constitutional government with a view both to order within and negotiation with Chili for peace, you may recognize it as the existing provisional government, and render what aid you can by advice and good offices to that end.

Acting under these instructions, although with some expressed doubt as to the probable permanence of its existence, Mr. Christiancy, on the 26th of June, 1881, formally recognized the Calderon government. It is clear that this recognition was not an unfriendly intervention as far as the wishes and interests of Chili were concerned, for under date of May 7, 1881, two days before these instructions of the 9th were sent to Mr. Christiancy, Mr. Osborn, the United States minister to Chili, wrote from Santiago as follows:

In my 201, of date April 5, regarding the war in this section, I mentioned the fact that the minister of war, Mr. Vergara, who had been with the army at Lima, had been sent for, and was then on his way to Chili. Since his arrival the government has labored to reach a conclusion touching the course to be pursued with Peru, and to that end numerous and extended discussions among the ministers and prominent citizens of the republic, who had been invited to participate, have taken place. Three plans or propositions were discussed: First, that spoken of by me in my No. 201, involving the withdrawal of the army to Arica; second, the occupation of the entire Peruvian coast by the Chilian forces, and its government by Chilian authorities; and third, the strengthening of the government of Calderon, and the negotiation of a peace therewith. The propriety of entering into negotiations with Piérola was not even dignified with a consideration. After much labor the government reached the conclusion that the last proposition afforded the easiest way out of their complications, and it has been determined to send to Peru, in charge of the negotiations, Mr. Godoy. * * * The ministry has freely counseled with me regarding the difficulties of the situation, and in view of their previous determination to have nothing to do with Piérola, I cannot but applaud the result of their deliberations. To vacate the country now would be to turn it over to anarchy, and to attempt to occupy the entire coast would, in time, involve both countries in ruin. The most feasible way to peace is, in my opinion, the one resolved upon. In fact it is the only one which offers any reasonable hope of a solution of the difficulties during the present generation.

In giving the support of recognition to the Calderon government, therefore, so far was this government from doing what could be considered an unfriendly act to Chili, that it was, in fact, giving its aid to the very policy which Chili avowed, and which, in the opinion of competent judges, was the only method of reasonable solution.

And this conclusion of the government was strengthened and confirmed by the information which was transmitted to the Department by General Kilpatrick, the United States Minister to Chili. General Kilpatrick was appointed after the recognition of the Calderon government, and was furnished with instructions to which I have already referred.

In his dispatch No. 3, under date August 15, 1881, he says:

I have the honor to report that, so far as the assurance of public men can be relied upon, your instructions have been complied with; your ideas of final peace accepted, not only by the present administration at Santiago, but still better of Señor Santa Maria, the President elect, whose administration will have begun when you receive this note.

General Kilpatrick then proceeds to give a detailed account of a lengthy interview with the leading and most influential members of the Chilian Government, in which he quotes the following as the final assurances given to him by the Chilian secretary of state:

You may therefore say to your government that every effort would be given by Chili to strengthen the government of President Calderon, giving to it the most perfect freedom of action, considering the Chilian occupation. That no question of Chilian annexation would be touched until a constitutional government could be established in Peru, acknowledged and respected by the people, with full powers to enter into diplomatic negotiation for peace. That no territory would be exacted unless Chili failed to secure ample and just indemnification in other and satisfactory ways, as also ample security for the future; and that in no case would Chili exact territory save where Chilian enterprise and Chilian capital had developed the desert and where to-day nine-tenths of the people were Chilian.

But after this recognition, made in entire good faith to both parties, three things followed:

1. The presence of a United States minister at Lima accredited to the Calderon government, and the reception in Washington of a minister from that government, gave it, unquestionably, increased strength and confidence.

2. The adherents of Piérola, realizing the necessity of peace and the existence of a stable government to negotiate it, gradually abandoned the forlorn hope of continued resistance, and gave their adhesion to the Calderon government.

3. The Congress which assembled within the neutral zone set apart for that purpose by the Chilian authorities, and which was further allowed by the Chilian government to provide for the military impositions by the use of the national credit, and thus recognized as the representative of the Peruvian people, authorized President Calderon to negotiate a peace, but upon the condition that no territory should be ceded.

As soon as these facts indicated the possibility of a real and independent vitality in the constitution of the Calderon government the Chilian military authorities issued an order forbidding any exercise of its functions within the territory occupied by the Chilian army—that is, within the entire territory west of the mountains, including the capital and ports of Peru.

Unable to understand this sudden and, giving due regard to the professions of Chili, this unaccountable change of policy, this government instructed its minister at Lima to continue to recognize the Calderon government until more complete information would enable it to send further instructions. If our present information is correct, immediately upon the receipt of this communication they arrested President Calderon, and thus, as far as was in their power, extinguished his government. The President does not now insist upon the inference which this action would warrant. He hopes that there is some explanation which will relieve him from the painful impression that it was taken in resentful reply to the continued recognition of the Calderon government by the United States. If, unfortunately, he should be mistaken, and such a motive be avowed, your duty will be a brief one. You will say to the Chilian Government that the President considers such a proceeding as an intentional and unwarranted offense, and that you will communicate such an avowal to the Government of the United States, with the assurance that it will be regarded by the government as an act of such unfriendly import as to require the immediate suspension of all diplomatic intercourse. You will inform me immediately of the happening of such a contingency and instructions will be sent you.

But I do not anticipate such an occurrence. From the information before the Department, of which you are possessed, it is more probable that this course will be explained by an allegation that the conduct and language of the United States minister in Peru had encouraged the Calderon government to such resistance of the wishes of Chili as to render the negotiation of a satisfactory treaty of peace with the Calderon government impossible. Any explanation which relieves this action of the Chilian Government of the character of an intentional offense will be received by you to that extent, provided it does not require as a condition precedent the disavowal of Mr. Hurlbut. Whatever may be my opinion as to the discretion of all that may have been said or done by Mr. Hurlbut, it is impossible for me to recognize the right of the Chilian Government to take such action without submitting to the consideration of this government any cause of complaint which it was prepared to allege

against the proceedings of the representative of the United States. The Chilian Government was in possession of the instructions sent to that minister, as well as those to his colleague at Santiago. There was no pretense that the conduct of General Kilpatrick was anything but friendly. Chili was represented here by a minister who enjoyed the confidence of his government, and nothing can justify the assumption that the United States was acting a double part in its relations to the two countries. If the conduct of the United States minister seemed inconsistent with what Chili had every reason to know was the friendly intention of the United States, a courteous representation through the Chilian minister here would have enabled this government promptly to correct or confirm him. You are not therefore authorized to make to the Chilian Government any explanation of the conduct of General Hurlbut, if that government, not having afforded us the opportunity of accepting or disavowing his conduct, insists upon making its interpretation of his proceedings the justification of its recent action.

It is hoped, however, that you will be able, by communication, at once firm and temperate, to avoid these embarrassments. If you should fortunately reach the ground where frank, mutual, explanation can be made without the sacrifice of that respect which every government owes to itself, you will then be at liberty, conforming your explanation to the recent instruction to Mr. Hurlbut, with a copy of which you are furnished, to show to the Government of Chili how much both his words and acts have been misconceived.

It is difficult for me to say now how far an explanation would be satisfactory to the President which was not accompanied by the restoration or recognition of the Calderon government. The objects which he has at heart are, first, to prevent the misery, confusion, and bloodshed which the present relations between Chili and Peru seem only too certain to renew; and, second, to take care that in any friendly attempt to reach this desirable end the Government of the United States is treated with the respectful consideration to which its disinterested purpose, its legitimate influence, and its established position entitle it. The President feels in this matter neither irritation nor resentment. He regrets that Chili seems to have misconceived both the spirit and intention of the Government of the United States, and thinks her conduct has been inconsiderate. He will gladly learn that a calmer and wiser judgment directs her counsels, and asks in no exacting spirit the correction of what were perhaps natural misunderstandings. So he would be satisfied with the manifestation of a sincere purpose on the part of Chili to aid Peru, either in restoring the present provisional government or establishing in its place one which will be allowed the proper freedom of action necessary to restore internal order and to conduct a real negotiation to some substantial result.

Should the Chilian Government, while disclaiming any intention of offense, maintain its right to settle its difficulties with Peru without the friendly intervention of other powers, and refuse to allow the formation of any government in Peru which does not pledge its consent to the cession of Peruvian territory, it will be your duty, in language as strong as is consistent with the respect due an independent power, to express the disappointment and dissatisfaction felt by the United States at such a deplorable policy.

You will say that this government recognizes without reserve the right of Chili to adequate indemnity for the cost of the war, and a sufficient guarantee that it will not again be subjected to hostile demonstration from Peru; and further, that if Peru is unable or unwilling to furnish

such indemnity, the right of conquest has put it in the power of Chili to supply them, and the reasonable exercise of that right, however much its necessity may be regretted, is not ground of legitimate complaint on the part of other powers. But this government feels that the exercise of the right of absolute conquest is dangerous to the best interests of all the republics of this continent; that from it are certain to spring other wars and political disturbances; and that it imposes, even upon the conqueror, burdens which are scarcely compensated by the apparent increase of strength which it gives. This government also holds that between two independent nations, hostilities do not, from the mere existence of war, confer the right of conquest until the failure to furnish the indemnity and guarantee which can be rightfully demanded.

The United States maintains, therefore, that Peru has the right to demand that an opportunity should be allowed her to find such indemnity and guarantee. Nor can this government admit that a cession of territory can be properly exacted far exceeding in value the amplest estimate of a reasonable indemnity.

Already, by force of its occupation, the Chilian Government has collected great sums from Peru; and it has been openly and officially asserted in the Chilian Congress that these military impositions have furnished a surplus beyond the cost of maintaining its armies in that occupation. The annexation of Tarapacá, which, under proper administration, would produce annually a sum sufficient to pay a large indemnity, seems to us to be not consistent with the execution of justice.

The practical prohibition of the formation of a stable government in Peru, and the absolute appropriation of its most valuable territory, is simply the extinction of a State which has formed part of the system of republics on this continent, honorable in the traditions and illustrations of its past history, and rich in the resources for future progress. The United States, with which Peru has for many years maintained the most cordial relations, has the right to feel and express a deep interest in its distressed condition; and while with equal friendliness to Chili, we will not interpose to deprive her of the fair advantages of military success, nor put any obstacle to the attainment of future security, we cannot regard with unconcern the destruction of Peruvian nationality. If our good offices are rejected, and this policy of the absorption of an independent state be persisted in, this government will consider itself discharged from any further obligation to be influenced in its action by the position which Chili has assumed, and will hold itself free to appeal to the other republics of this continent to join it in an effort to avert consequences which cannot be confined to Chili and Peru, but which threaten with extremest danger the political institutions, the peaceful progress, and the liberal civilization of all America.

If, however, none of these embarrassing obstacles supervene, and Chili receives in a friendly spirit the representations of the United States, it will be your purpose—

First. To concert such measures as will enable Peru to establish a regular government, and initiate negotiation.

Second. To induce Chili to consent to such negotiation without cession of territory as a condition precedent.

Third. To impress upon Chili that in such negotiation she ought to allow Peru a fair opportunity to provide for a reasonable indemnity; and, in this connection, to let it be understood that the United States would consider the imposition of an extravagant indemnity, so as to make the cession of territory necessary in satisfaction, as more than is justified by the actual cost of the war, and as a solution threatening renewed difficulty between the two countries.

As it is probable that some time will elapse before the completion of all the arrangements necessary for a final negotiation, this government would suggest a temporary convention, which, recognizing the spirit of our present friendly representation, would bring Peru and Chili into amicable conference and provide for a meeting of plenipotentiaries to negotiate a permanent treaty of peace.

If negotiation be assured, the ability of Peru to furnish the indemnity will be a matter of direct interest. Upon this subject we have no information upon which definite instructions can now be based. While you will carefully abstain from any interposition in this connection, you will examine and report to this Department promptly any plans which may be suggested.

You will not indicate any wish that the Government of the United States should act as umpire in the adjudications between the contending powers. Should an invitation to that effect be extended, you will communicate by telegraph for instructions. The single and simple desire of this government is to see a just and honorable peace at the earliest day practicable, and if any other American government can more effectively aid in producing this auspicious result, the United States will cordially sustain it and lend such co-operation as the circumstances may demand.

I am, &c.,

JAMES G. BLAINE.

No. 133.

Mr. Kilpatrick to Mr. Blaine.

No. 9.] LEGATION OF THE UNITED STATES,
Santiago, Chili, December 2, 1881. (Received January 4, 1882.)

SIR: Had I been able, I would, at the time the Government of Chili determined to arrest and suspend the functions of the government of Calderon, have given you the reasons as they are placed in my possession by the Secretary of State, and everything done to preserve good faith as to promises made me here on the part of the government. But for four months I have been very ill; for the last two months at the point of death, unable even to write my own name. I am now just able to sit up, and for your information and on behalf of the honor and good faith of Chili I make this brief statement.

Chili guaranteed through me to demand no annexation of territory from Peru as an absolute condition of peace. This was done at your request. She agreed to demand no territory if security for future peace and safe and satisfactory indemnification could be secured otherwise, and in no case to annex territory save where a large majority of the actual residents were citizens of Chili and foreigners. She agreed to build up and strengthen the government of Calderon if possible, and if possible to make it respectable, constitutional, stable, a government with which she could treat for peace. These pledges were made in good faith and would have been fulfilled; but our new minister at Lima arrived. Whether true or false, he has the reputation of having impressed the Government of Calderon and the people of Peru with the idea that the Government of the United States would not permit annexation of Peruvian territory to Chili under any circumstances. This was published and talked of. He, himself, emphasized this in his letter to the

government of Piérola. He sent messages to the Argentine Republic urging them to send a minister at once to check the power of Chili. The whole conduct of Calderon, befriended and sustained by Chili, changed; and he is openly accused now by the Government of Chili of having without authority flooded the country with his own paper currency, of having gathered and collected arms, and of having organized secret forces, and finally of having placed himself in communication with the belligerent forces of Piérola, Montero, and Sola, and the Government of Bolivia, still in open arms against Chili, now threatening her outposts, and cutting, from time to time, her lines of communication. And so far had he succeeded that the department of Arequipa had proclaimed for him, and a promise made on the part of our own minister at Lima, to said belligerents, that the Government of the United States would forcibly resist the disintegration of Peru and had determined to maintain and sustain the government of President Calderon.

These are the facts as given to me by the administration here to justify them in the course they have pursued. The arrival of your messenger with special and unknown instructions is beginning to create an excitement here and a resentment against the United States that will not be easily calmed. Chili has looked upon our country as its greatest friend; has been willing to make many sacrifices to comply with your requests; but now, in view of the course pursued at Lima, the threatening claims of some great Peruvian company professing to be backed by the Department at Washington, of which I send you a copy marked A, is creating an alarm and excitement here such as has never existed in Chili. I should like to give you details, but I am unable from extreme weakness to dictate another sentence.

Yours truly,

J. KILPATRICK.

[Inclosure marked A in No. 9.]

Mr. Shipherd to Mr. Kilpatrick.

THE PERUVIAN COMPANY,
10 *Spruce Street, New York, October* 19, 1881.

SIR: I have the honor to inclose herewith official printed copies of communications on behalf of this company to the minister of Peru and Chili at Washington.

Duplicates of these inclosures were filed in the Department of State on the 11th instant, and the originals were personally delivered by * * * our counsel at Washington, on the 13th.

I place the copies in your hands, of course, without comment, and only for your early information. I have reason to suppose that you will receive instructions concerning the interests involved at an early day.

It may be proper to add that this company is now fully organized, with a capital of $250,000,000; that it includes the best legal, diplomatic, and money resources of the United States; that the title upon which it relies is approved unanimously by a large staff of eminent counsel, and that it has unqualified assurance of ample governmental backing. It has called for the property, and you may safely rely that it has at command every means of enforcing that call. I send you a recent copy of the Times, which does but reflect the average public sentiment here. All the papers (preliminary) in the case I sent to your address in this city before you sailed.

We are prepared to treat Chili fairly, even liberally, but only on condition that she recognizes our superior rights. If she raises an issue she will simply get nothing. Right must rule.

Your obedient servant,

JACOB R. SHIPHERD.

No. 134.

Mr. Blaine to Mr. Trescot.

No. 3.] DEPARTMENT OF STATE,
Washington, December 2, 1881.

SIR: It is not impossible that before the close of the special mission, instructions for which have been already furnished you, it may be deemed advisable that at its close you should return to the United States by way of the Argentine Confederation and Brazil.

Positive instructions may be sent you to this effect before your mission closes, but at present my purpose is to advise you of such possible contingency, and to add that if at the close of the special mission you should decide that a return home by the way of Buenos Ayres and Rio de Janeiro was advisable, you are hereby authorized without waiting for such instructions to return home by that way.

Should you do so, you will in your communications with the representatives of the Governments of Brazil and the Argentine Confederation impress upon them the advantages which would result from a full and frank conference between all the republics of North and South America. By the time you can reach these points the opinions of this government on this subject will have been formally submitted to them, and you will have the opportunity to enforce these views and to direct their attention to the importance of the proposed congress.

If you will telegraph the probable time of your arrival at Buenos Ayres, a vessel of the United States will meet you at that place.

I am, sir, &c.,

JAMES G. BLAINE.

No. 135.

Mr. Martinez to Mr. Blaine.

LEGATION OF CHILI,
Washington, December 5, 1881. (Received Dec. 5.)

SIR: I intend to go on with the agreeable task of letting you know which are the last authentic news from the Pacific coast, as they are generally made public in a way calculated to mislead.

Your excellency has already been made acquainted with the decree issued by the Chilian general, Patricio Lynch, prohibiting Dr. Garcia Calderon from exercising any act of jurisdiction within the territory occupied by the Chilian forces, but by no means out of that territory.

Indeed there was a political and military misdeed in the fact of the commander of an invading army allowing the so-called provisional President, whose incapacity and unwillingness to make the peace were well known, to continue as a government in face of his foe. You will please to allow me to state again to your excellency that Chili never recognized Garcia Calderon as the provisional President, and that had she made such a recognition it would have been outlawed when that gentleman made up his mind to reject the terms of peace my government proposed to him.

In spite of the above-named decree, Garcia Calderon went on assuming to himself the functions of President of the government, but being his attitude apparently obnoxious, the Chilian general did not deem it

proper to take any measure against him, and I warn your excellency that the ground for the General Lynch to act as I have just stated was the recognition of Garcia Calderon as provisional President, made by the United States purposely to lead way to an arrangement of peace.

But it happened Mr. Galvez to address in those days a circular to the diplomatic and consular corps in paper bearing the official seal, dated in Lima, and issued in such a condition as every public document is intended to have, and stating that it was expected to make peace with no dissatisfaction for the national dignity; that is to say, with no territorial compensation. Mr. Galvez was Mr. Garcia Calderon's secretary of state.

Being this an open and daring violation of the Chilian commander's decree, he was compelled to take such a measure as to put in prison the so-called provisional President and his secretary of state.

The measure was executed most quietly. Mr. Garcia Calderon intimates he wanted to hold a private interview with General Lynch, so he walked along about fourteen blocks and not the slightest sign of resistance was noticeable in the crowd.

The prisoners were taken, surrounded with the best treatment, to the iron-clad Almiranti Cockrane, and in Pisco they were transferred to the frigate Chili.

Meanwhile the Peruvian general, Montero, being out of the reach of the Chilian forces, has accepted the vice-presidency of the republic, and notwithstanding being the offering of the vice-presidency and its acceptation irregular acts, the Chilians, keeping faith to their resolution of not interfering with the internal politics in Peru, had opposed no resistance whatever to Montero.

A Peruvian committee started from Lima to meet Montero, and contrive he should go as far as Chimbote, so that he may try to capitulate some terms of peace which my government might agree to.

This incident shows the possibility of the conflict to be arranged as far as the Peruvians will not content themselves with the deceitful expectations of a foreign interference.

The ex-dictator, Piérola remains in Ayacucho with an army 1,700 strong. His general secretary, Garcia ì Garcia, issued under the date of the 23d October a circular addressed to the chiefs and governors in the republic, bitterly criticising Mr. Hurlbut's letter, which your excellency has already been acquainted with.

The Chieftain Caceres is, with an army stronger than that of Piérola, not very far from Lima, and keeps a reserved attitude, he does not declare himself in anybody's favor, but apparently he is obeying his former chief, Piérola.

Such is without any comment the condition of affairs in Peru.

It would be not unsuitable for your excellency to become acquainted with a somewhat painful incident. Garcia Calderon intended to send to Arequipa one of his brothers, as a commissioner, and asked permission for him to be allowed to land at Mollendo which is now a blockaded port. He was not permitted to do it. Then the said commissioner got by stealth a passport from the Chilian colonel, Valdivieso, telling him he purposed to go from Lima to a near place. Having the passport been given by Valdivieso, Garcia Calderon's brother, wrote down on it that it was good to go to Mollendo. This was not enough for his purposes, being it necessary to get permission from the general headquarters to reach a blockaded port, he did not ask for it; but the United States man-of-war Alaska was about to sail off to Mollendo, and everybody asserts on her board went the commissioner of Garcia Calderon, taking with him correspondence and money to the rebels in Arequipa. Though

I cannot state the fact officially, it appears to me to bear the characteristics of the truth.

As for Bolivia is concerned, all that is now known is that General Campero has driven as far as four or five days' march from Tarapacá, having under his command an army about 4,500 strong.

The Chilian authorities are now under notice not to allow themselves to be surprised.

It is to be derived from the precedents informations that the enemies of Chili are again armed and unwilling to make peace, repeatedly proposed to long ago. They consider a term as indecorous, notwithstanding it has been agreed with by many nations superior to them, and Chili is not to be responsible for such a denying, nor she can be ascribed to the delaying of a *status quo*, the lasting of which is not her fault.

Accept, sir, &c.,

M. MARTINEZ.

No. 136.

Mr. Foote to Mr. Blaine.

No. 83.] CONSULATE OF THE UNITED STATES,
Valparaiso, December 9, 1881. (Received Jan. 12, 1882.)

SIR: I learn that some arrangement has just been entered into by the Chilian Government, but not yet made public, securing to the holders of Peruvian bonds one-half the proceeds of the guano now in the possession of Chili. This, as I am informed, has been formally approved by the representatives of England, France, and Germany; but I do not understand that any guarantee is attached to it.

If I had the power I should at once see the minister of foreign relations and demand information.

On Saturday last I telegraphed to you the information of the death of General Kilpatrick, but have had no reply.

Montero's letter openly thanking General Hurlbut for the promised intervention of the United States has created an intense excitement.

It seems to me that with less haste more progress might have been made. This country need not have been agitated and alarmed by this imprudent zeal, and our influence, which has for years been paramount here, need not have been destroyed.

The senate and house of deputies have been in secret session for days in the discussion of these questions. The leading senator of the party opposed to the government said to me:

> We are a unit. The United States may crush a sister republic if she can afford to do so; but she shall not intimidate and dictate to us; we will die hard, and we will make use of every resource which God and nature have given us.

And, knowing as I do the temper of the people, I believe this to be the universal sentiment.

I may say, incidentally, that confidence in the good faith of the United States has been shaken by the reports and "official communications" of the so-called Peruvian company which have been, imprudently, it seems to me, shown to the minister of foreign relations.

I have written what I have from a sense of duty, and I believe that you will appreciate the motive, informal though it may be.

I am, sir, &c.,

LUCIUS H. FOOTE,
United States Consul.

No. 137.

Mr. Blaine to Mr. Walker Blaine.

DEPARTMENT OF STATE,
Washington, December 9, 1881.

SIR: On your arrival at Santiago you will take possession of the papers and property of the legation of the United States, and in addition to the duties already confided to you, you will act as chargé d'affaires until the arrival of a newly-appointed minister, or until you shall be relieved by orders from this Department.

I am, sir, &c.,

JAMES G. BLAINE.

No. 138.

Mr. Blaine to Mr. Trescot.

No. 4.] DEPARTMENT OF STATE,
Washington, December 16, 1881.

SIR: Some erroneous statements, now being circulated in a portion of the American press, may reach Santiago and create an injurious impression in the minds of the Chilian Government; and I write you this instruction from excess of caution, in order that no enduring harm may result.

The erroneous statements in the press to which I especially refer are those which represent this government as in some way giving encouragement to the Cochet claim against Peru, which, being acknowledged, should enable the United States to pay an indemnity to Chili and then practically own Peru, either directly or through an association of American citizens.

This is the extreme statement, and it has many shadings and variations.

You will take prompt and special care to anticipate any evil that might result from these rumors being circulated by a disavowal and denial of them in whole and in any part.

The only claim for which this Department has instructed our minister at Lima to use his good offices is that known as the Landreau claim, and this to the extent only of insisting that Mr. Landreau should be permitted to have an authoritative investigation of his claim by the Peruvian Government, and that if found to be good and valid it should be provided for in any treaty with Chili which might affect the property to which it attaches.

The law officer of the Department of State, as long ago as 1874, made an exhaustive report on this claim, and recommended that this government should interpose its good offices in behalf thereof.

On the 20th of July, 1874, my predecessor, Mr. Secretary Fish, instructed our minister at Lima to use his good offices with the Peruvian authorities in behalf of Mr. John C. Landreau, "with a view of securing from that government a speedy investigation and adjustment of his claim."

On the 20th day of February, 1880, the House of Representatives of the last Congress unanimously passed the following resolution:

That the petition of John C. Landreau, the report made thereon by the Committee on Foreign Affairs, and the accompanying papers be transmitted to the Executive Department, with the request that the President take such steps as, in his opinion, may

be proper, and in accordance with international law to secure to the said John C. Landreau a final settlement and adjustment of his claim against the Government of Peru; and that, if in his opinion it is proper to do so, the President invite the Government of France to co-operate with the United States in this behalf.

I inclose herewith, for your further information, copies of my instructions to Mr. Hurlbut on this subject. It gives me pleasure to say in this connection, that Mr. Hurlbut's action in regard to both the Landreau and Cochet claims has been marked by entire prudence and discretion.

While disabusing the mind of the Chilian Government of any impression that the United States meditates intervention on behalf of private claims, beyond the use of its good offices, you will say that justice seems to demand that Landreau should have an opportunity to be heard in support of his claim before a tribunal in Peru competent to decide it, and that, if decided in his favor, a treaty of peace which might cede territory to Chili should not be made in disregard of any rights which Mr. Landreau may be found, after an impartial judicial investigation, to possess.

Further than this the Department of State has not felt authorized to go, and I must express the hope that the governments of Peru and Chili, to both of which you are accredited, will recognize the moderation and justice of the request made by this government.

I am, &c.,

JAMES G. BLAINE.

No. 139.

Mr. Martinez to Mr. Frelinghuysen.

LEGATION OF CHILI,
Washington, December 28, 1881. (Received Dec. 31.)

SIR: The last steamer from Aspinwall brought the following authentic news:

Señor Ligardo Montero issued a proclamation at Cajamarca, on the 15th of November, stating that he assumes the Presidency of Peru and enforcing the continuance of the state of active war against Chili. According to that proclamation, the capital of the republic was to be the inland town of Cajamarca.

Meanwhile Señor Andres A. Cáseres, the chieftain of the guerilla bands stationed at Chosica, was proclaimed President by his troops. He also issued a proclamation, under the date of the 24th of November, in which he acknowledges the country to be in a state of anarchy; resigns, for the present, the Presidency, till the people may freely elect a President; and retains, meanwhile, the political and military government of the central provinces.

Señor Cáseres says also that the state of war is vigorously maintained, and that he hopes the Peruvians will at last vanquish their foe. Señor Cáseres does not declare whom he judges to be chief of the nation, but he confines himself to disowning the authority of Piérola.

As to the rest, the old personal political parties of the country are entirely disorganized, disrupted, and in a state of anarchy. I think it to be highly important for your excellency to be acquainted with these facts that may lead you to fully appreciate the condition of affairs in South America.

Please accept, sir, &c.,

M. MARTINEZ.

No. 140.

Mr. Frelinghuysen to Mr. Trescot.

WASHINGTON, *January* 3, 1882.

On this date Secretary Frelinghuysen instructed Mr. Trescot by telegraph to exert his influence pacifically, and to avoid all issues which might lead to his withdrawing from his post in Chili.

No. 141.

Mr. Frelinghuysen to Mr. Trescot.

WASHINGTON, *January* 4, 1882.

Secretary Frelinghuysen informed Mr. Trescot by telegraph on this date that it was the wish of the President that our friendly offices should be extended impartially to both republics; that a pacific influence should be exerted, and every issue which might lead to offense, avoided; that questions growing out of the suppression of the Calderon government could be attended to at Washington; and that it was preferable that he should not visit Buenos Ayres on his way home.

No. 142.

Mr. Frelinghuysen to Mr. Martinez.

DEPARTMENT OF STATE.
Washington, January 7, 1882.

SIR: I have the honor to acknowledge the receipt of your note of the 28th ultimo, giving me your views as to the present condition of Peru, derived from your latest intelligence. I need not inform you that it has been read with the most lively interest.

I was much gratified yesterday with the assurances which you gave me, in our personal interview, that your government, in the arrest and imprisonment of Calderon, was in no way instigated by an unfriendly feeling towards the United States. If you feel yourself at liberty to renew that assurance in writing I shall be still further and greatly gratified by your doing so. Such a communication, written in the friendly spirit which marked your verbal communications, will tend to promote that friendly feeling which is so desirable among American republics.

Accept, sir, &c.,

FRED'K T. FRELINGHUYSEN.

No. 143.

Mr. Frelinghuysen to Mr. Trescot.

No. 6.] DEPARTMENT OF STATE.
Washington, January 9, 1882.

SIR: Since you received your instructions on your departure as special envoy to Chili, Peru, and Bolivia, I have sent you by cable two instruc-

tions. As I have not heard of your having received them, and to make their purport more intelligible than the brevity of a telegram would permit, I send this, stating the proper construction of your original instructions, somewhat modifying them, and indicating how they are to be executed.

The President wishes in no manner to dictate or make any authoritative utterance to either Peru or Chili as to the merits of the controversy existing between those republics, as to what indemnity should be asked or given, as to a change of boundaries, or as to the personnel of the Government of Peru. The President recognizes Peru and Chili to be independent republics, to which he has no right or inclination to dictate.

Were the United States to assume an attitude of dictation towards the South American republics, even for the purpose of preventing war, the greatest of evils, or to preserve the autonomy of nations, it must be prepared by army and navy to enforce its mandate, and to this end tax our people for the exclusive benefit of foreign nations.

The President's policy with the South American republics and other foreign nations is that expressed in the immortal address of Washington, with which you are entirely familiar. What the President does seek to do, is to extend the kindly offices of the United States impartially to both Peru and Chili, whose hostile attitude to each other he seriously laments; and he considers himself fortunate in having one so competent as yourself to bring the powers of reason and persuasion to bear in seeking the termination of the unhappy controversy; and you will consider as revoked that portion of your original instruction which directs you on the contingency therein stated as follows:

> You will say to the Chilian Government that the President considers such a proceeding as an intentional and unwarranted offense, and that you will communicate such an avowal to the Government of the United States with the assurance that it will be regarded by the government as an act of such unfriendly import as to require the immediate suspension of all diplomatic intercourse. You will inform me immediately of the happening of such a contingency, and instructions will be sent to you.

Believing that a prolific cause of contention between nations is an irritability which is too readily offended, the President prefers that he shall himself determine after report has been made to him whether there is or is not cause for offense.

It is also the President's wish that you do not visit (although indicated in your original instruction you should do so), as the envoy of this government, the Atlantic republics after leaving Chili. .

The United States is at peace with all the nations of the earth, and the President wishes hereafter to determine whether it will conduce to that general peace, which he would cherish and promote, for this government to enter into negotiations and consultation for the promotion of peace with selected friendly nationalities without extending a like confidence to other peoples with whom the United States is on equally friendly terms.

If such partial confidence would create jealousy and ill-will, peace, the object sought by such consultation, would not be promoted.

The principles controlling the relations of the republics of this hemisphere with each other and with other nationalities may, on investigation, be found to be so well established that little would be gained at this time by reopening a subject which is not novel. The President at all events prefers time for deliberation.

I am, &c.,

FRED'K T. FRELINGHUYSEN.

No. 144.

Mr. Martinez to Mr. Frelinghuysen.

LEGATION OF CHILI,
Washington, January 10, 1882. (Received January 11.)

SIR: I have the honor to inform your excellency of the latest news received by this legation through the Pacific mail.

The fact that Rear-Admiral Montero has deserted from the ranks of his former chief, the dictator Piérola, is fully confirmed. Montero has accepted the vice presidency of Peru, which was offered to him by several gentlemen of Lima, called *notables*. He needed no other investment to call himself the "constitutional president."

As this expression has been lately used in a very extraordinary sense, so that many of the journals of the United States have unconsciously made use of it, I deem it necessary to acquaint your excellency with its meaning.

The last constitutional president of Peru, that is to say, elected by the people according to the constitution, was General Mariano Ygnacio Prado, whose term came to an end long ago. Those who have succeeded him in exercising the supreme power have been as constitutional as the emperors of the lower empire who had themselves proclaimed by their troops. They are called constitutional Presidents, because, after having irregularly assumed the supreme power, they enforce one of the many constitutions which Peru has given to herself since its independence.

As your excellency can easily perceive, that is an abuse of the term which tends to pervert every idea of regular government.

Notwithstanding this, Mr. Hurlbut gave to the provisional government of Garcia Calderon the name of constitutional, and revolutionary to that of Piérola.

These pernicious errors ought to give way to a correct and suitable knowledge of persons and things.

Montero issued at Cajamarca, a town situated in the northern mountains of Peru, a circular under the date of 28th of October, 1881, addressed to the governors, stating that he was armed against the invaders, and that he hoped to effect a happy solution of the pending questions by virtue of the effective mediation of the United States Government.

The same chief circulated extensively the strangest document to which it is possible to refer in the history of diplomacy. This was a letter or manifest addressed by General Hurlbut to the so-called *notables* of Lima, which your excellency is acquainted with, but a copy of which is herewith inclosed.

The same Mr. Montero wrote to his former chief under date of November 22, 1881, a letter explaining to him the grounds of his desertion,

Meanwhile, Mr. Nicholas Piérola gave up his nominal position, by issuing a decree and a proclamation under the date of November 28, 1881.

According to the latest news, the troops under Montero do not amount to more than 1,500 or 1,600 men, poorly armed and equipped.

As your excellency can see, that is but a sad comedy.

The so-called provisional president, Señor Francisco Garcia Calderon, is at present in the town of Quillota, in the province of Valparaiso, Chili.

Caceres, the chief of the *Monteneros*, is in Chosica, a short distance

from Lima. He has not declared himself in any way, and we have every reason to believe that he will act on his own account and at his own risk, and will presently recognize the proclamation made to him by his own army, which does not exceed three thousand or three thousand five hundred men. The existence of this leader is virtually dependent on the will of the Chilian general-in-chief, who can annihilate him when ever he chooses to attack him.

As regards Mr. Piérola, he is at present in Lima, the report of his having sailed for Europe having proved incorrect. He is living tranquilly, as a private citizen, under the security afforded by the protection of the Chilian army of occupation.

It is clearly evident that whenever the Chilian army shall abandon the Peruvian capital anarchy will begin its disastrous work, and for this this the Peruvians alone are responsible.

My government had an army in readiness to proceed to Arequipa, in order to clear the situation, and thus facilitate the securing of peace; but it has lately desisted from this purpose because it felt that the purely local results to be secured would not correspond to the sacrifices which a new campaign involved.

An expedition, however, is ready to march to Janja, and will put an end to its occupation by Cáceres. This will only leave Rear-Admiral Montero in the north of Peru. He is without prestige, without arms, without resources, and with no other territory over which to exercise his authority than that on which he treads.

If the sensible people still remaining in Peru do not see that the time has arrived to accept the conditions which Chili, with perfect justice, demands, they will bring upon their country all the consequences of that obstinate and incomprehensible resistance. I do not believe that there is in the history of the world, an instance of a country which, being so impotent to defend itself, showed itself so blindly stubborn in enduring the laws of war. Everything which in any way tends to strengthen that resistance is, and will be, contrary to the principles which govern human affairs.

General Lynch, seeing that all the branches of municipal revenues were in complete disorder and that their management was irregular, ordered the appointment of a supervisor, a measure which degraded the municipals, who, in consequence, threatened to resign their posts. The journals have indeed published the fact that the alcalde Canevaro, and other municipals, had resigned, but we are not aware that such is the case.

The Bolivian general, Campero, is at the head of a small army, and threatens to invade Tarapacá, but I assure your excellency, with an assurance based upon many and incontestable reasons, that that threat cannot possibly be realized. There is not the remotest fear that a drop of blood will be shed on that side.

With sentiments of the highest consideration.

M. MARTINEZ.

[Translation of inclosure with Mr. Martinez's note of January 10, 1882.]

The following communication has been addressed by the North American minister to the notables of Lima:

GENTLEMEN: At your request I make the following declarations:

1. The United States of America are strongly in favor of the cessation of hostilities between Chili and Peru, and the speedy restoration of peace.

2. They are decidedly opposed to any dismemberment of the territory of Peru, except with the free and full consent of this nation.

3. They are of the opinion that Chili, as the result of the war, has acquired the right of indemnification for the expenses of the war, and that Peru cannot refuse its payment.

The Government of Chili knows that these are the views of the United States, but the divisions which exist in Peru paralyze the good effects (offices?) of the United States and afford a pretext to Chili for eluding action by the latter in conformity with our desires, and for prolonging the state of war and the military occupation of Peru. Chili says: "We also desire peace, but there is here no one competent to treat to that end." This statement is unfortunately true. For such a condition of affairs, the only remedy is to be found in Peru itself. Union under whomsoever may be chosen will dispel the pretext of Chili, and will give to the United States an advantage which they need, and of which they will be able to take advantage. Nothing else, in my judgment, will save Peru from indefinite military occupation by Chili. Peru must herself effect her own salvation through the sacrifice of personal conditions (ambitions?) on the altar of the country's redemption.

I am, &c.,

S. A. HURLBUT.

A copy.
The secretary of legation.

F. PINTO.

No. 145.

Mr. Martinez to Mr. Frelinghuysen.

[Translation.]

LEGATION OF CHILI IN THE UNITED STATES,
Washington, January 10, 1882. (Received January 10.)

SIR: I have had the honor to receive your excellency's note of the 7th instant, whereby you were pleased to request me to furnish to you, in writing, the explanations which I had the honor to give you on the occasion of our conference which was held on the 5th instant, in reference to the circumstances which preceded or accompanied the arrest of Don Francisco Garcia Calderon, at Lima, and the bearing which that act might have upon the very friendly and cordial relations which happily exist between your excellency's government and mine.

I thank your excellency for the opportunity which you have thus afforded me to contribute, by means of a plain and unvarnished statement, towards drawing still closer the bonds of sincere friendship which unite our respective countries.

I have already taken occasion, verbally, to furnish the explanations which I now have the pleasure to put in writing, three times to Mr. Blaine, your excellency's honorable predecessor, and once to your excellency. Both Mr. Blaine and your excellency were fully satisfied, and I did not think it necessary to reduce said explanations to writing, because it did not appear to me that the Secretaries of State had attached serious importance to a hypothesis which, in my humble opinion, had no foundation worthy of consideration. Nevertheless, in the memorandum which I had the honor to address to the Department of State on the 21st of November last, I explained all the circumstances relative to the ephemeral government of Garcia Calderon, and stated the incontestable reasons that had existed for its abolition, which reasons are altogether unconnected with the fact of the recognition of that government by that of your excellency.

I must, moreover, remind your excellency that during our interview I called your attention to a very significant incident, which was that a fortnight before the arrest of Garcia Calderon at Lima, I read to the

Hon. Mr. Blaine, in the presence of Mr. Hitt, his First Assistant Secretary, a letter addressed to me by Rear-Admiral Lynch, in which the latter stated that if Mr. Garcia Calderon did not yield obedience to the order issued by him (Lynch), forbidding him to perform jurisdictional acts within the lines of the Chilian occupation, he should be obliged to put him under arrest. Admiral Lynch could not know when or how Mr. Garcia Calderon would disobey that order, and when I communicated the contents of the aforesaid note to Mr. Blaine (which I did as an evidence of the most perfect frankness and of the fullest confidence in the sincerity of the friendship of the United States for Chili), I considered the event in question as being a future and contingent one which would probably never come to pass.

After the repeated and terrible disasters which Peru had suffered, it seemed that none but a man of very high intellectual and moral qualities could unite the scattered elements of order existing in the country, in order to treat for peace. Peru has always had military governments, which are better respected in countries in which public order stands on no solid foundation; and when the attempt was made to establish a civil government there, it was found impossible to advance beyond the initiatory steps.

Chili has never desired to interfere in the domestic politics of her enemy; she has, nevertheless, not failed to study with the deepest interest the character and qualities of the men who have taken, or who might be called to take, a prominent part in public affairs, and who seemed capable of rising to the height which the situation demanded, of holding the reins of government with a firm hand, and of inducing their fellow citizens to take the only course reserved for them by the laws of war. It was natural, too, that sensible men in Peru should think of seeking and finding the man whom the situation demanded, in order that they might place the destinies of their country in his hands.

Mr. Garcia Calderon was mentioned, although it was said for him that his character lacked most of the qualities which the circumstances required; that he was not fit to govern, that he was deficient in courage, and that he had no following upon which he could really rely. It was, however, added that he was unstained by peculation or extortion; that he had the reputation of being an excellent lawyer, and that his elevation to power would meet with no serious opposition.

My government had no reason to express an opinion with regard to the choice of the person who was to be placed at the head of affairs in Peru. It appeared to it sufficient that Mr. Garcia Calderon enjoyed a good reputation for honesty, and it decided to lend him a certain amount of co-operation and support, in order to furnish him the means and the opportunity to establish his authority.

The Chilian plenipotentiaries at Lima informed the future President of Peru what were the conditions of peace, and he accepted them as relatively good, and promised to labor with a view to making them the basis of a treaty.

Chili did not recognize, nor was she willing solemnly to recognize, Garcia Calderon's government for many reasons. When he asked that his government might be formally recognized, so that he might be enabled to gain some ascendancy in public opinion, this was refused, on the ground that his government did not yet possess any condition of solidity, respectability, or independence.

In fact, the manner in which that provisional President rose to power could not have been more irregular and anomalous than it was, and the

position in which he was placed, as regarded his own country and the army of occupation, was still more extraordinary and exceptional. He exercised no jurisdiction save within the limits of the territory which was under the control of the Chilian authorities, and he was under the wing and the moral and material protection of the army of occupation. He might at any time have been arrested by any police officer.

Your excellency knows that a government of that kind could not be recognized by that of Chili, which needed, in order to be able to treat, to have a respectable and respected government to treat with, and one that was able really to pledge the faith of its nation.

Your excellency's government, undoubtedly, had more liberty of action than did mine, because it did not need to enter into any ulterior negotiations with the Peruvian Government, and was consequently able to act with greater freedom in contributing to give Garcia Calderon the moral prestige and authority of which he stood in need.

Under such auspices, Garcia Calderon began to act in violation of all his previous promises, and was guilty of a series of acts subversive of the legitimate rights and interests of Chili, so that he rendered himself absolutely unworthy of any toleration or indulgence on the part of my government.

In the memorandum of November 21, to which I refer, I mentioned four or five of the principal acts which, with evident reason, caused that gentleman to lose the favor of the Chilian Government. In order to avoid repetitions, which would make this communication too long, I will simply refer to what I said in that paper, which I had the honor to transmit to your excellency immediately after your elevation to the high position which you now occupy.

Mr. Garcia Calderon having been guilty of these offenses, and having openly declared that he would not treat on the basis proposed by Chili, the doom of his government was irrevocably sealed.

In the steps subsequently taken by the Government of Chili, that government paid no attention to the proceedings of General Hurlbut, upon which the provisional president of Peru said that he based his reactionary conduct, but acted exclusively in accordance with its own rights.

The fact is that my government never believed that General Hurlbut was faithfully interpreting the lofty, considerate, and friendly policy of the United States Government.

The first step taken by General Lynch (who had been duly authorized to do so) was to deprive Garcia Calderon of the arms which, trusting to his honor, he had lent him. Subsequently, when that gentleman's attitude became more dangerous, he was dispossessed of the bureaus which he had organized and was peremptorily ordered to perform no governmental or jurisdictional act within the lines of the Chilian occupation. Still later, when he intentionally violated this order, he was arrested and sent to Chili, but was treated with every courtesy and attention.

The American General Scott acted, under similar circumstances, in the same manner in Mexico.

Even if the provisional government had been recognized by all friendly powers, Chili would have had to act as she did, not only for the maintenance of her rights, but from a sense of her own dignity and self-respect. And even if Chili had recognized that government, that circumstance would not have rendered it inviolable, and she would still have been obliged to act precisely as she did.

Consequently I can and do assure your excellency, in the most formal and solemn manner, that my government had not the most remote in-

tention or the slightest purpose to impair, in any way, the state of friendship and cordiality which previously to those events, during the same and subsequently, has existed, and which it has always desired should exist, between it and the Government of the United States.

I likewise had the honor to remark to your excellency, in our interview of the 5th instant, that certain financial schemes had thrown difficulties in the way of the conclusion of peace with Peru, and that while those schemes remained on the carpet it would be difficult to reach the desired solution. I may now add that the parties interested in those operations are endeavoring, both through the public press and such other means as they find available, to predispose the United States against Chili, and that they spare no pains to present the most natural and logical events of my government in a wrong light.

I avail myself, &c.,

M. MARTINEZ.

No. 146.

Mr. Frelinghuysen to Mr. Martinez.

DEPARTMENT OF STATE,
Washington, January 16, 1882.

SIR: In acknowledging the receipt of your excellency's note of the 10th instant, permit me to convey to you my gratification in receiving your assurance that the Government of Chili, in its attitude toward the Calderon Government in Peru and in its treatment of President Calderon, had no intention or purpose to impair in any way the state of friendship and cordiality which has always existed between it and the Government of the United States, and which it is the sincere wish of this government may be perpetual.

Accept, sir, &c.,

FRED'K T. ERELINGHUYSEN.

No. 146½.

Mr. Martinez to Mr. Frelinghuysen.

LEGATION OF CHILI,
Washington, January 18, 1882. (Received January 21.)

SIR: I continue the agreeable task of communicating to you the news brought by the last mail.

The rumor current after the arrival of the last mail, to the effect that the municipal authorities had been discharged from their duties in Lima, had proved correct. The general-in-chief of the Chilian army felt himself obliged to take this measure because the municipality wished to act with absolute independence of the executive authority, which was in every way impossible, and also because the management of the municipal funds was in every way improper. On the other hand, the municipality failed to make the necessary expenses for the police, and security, and cleanliness of the city, notwithstanding the fact that they had more than sufficient resources for it.

These circumstances induced the general-in-chief of the army of occupation to name a superintendent of the municipality; and since the mayor (alcalde) refused to recognize the measure, the rear-admiral was forced to issue a decree with the date of 7th of December, declaring that the functions of the municipality had ceased, and that Señor Adolfo Guerrero was nominated as political chief of the department of Lima.

This measure was indispensable, and for considerations which had no right to exist, had not been taken beforehand because it was impossible to maintain a system whose political and local administration obeyed principles, interests, and regulations completely independent and opposite.

At present there are in Peru four supreme chiefs: General Montero in the north; General Cáceres in the center; Colonel Latorre in Arequipa, Puno, and Cuzco; and another, Colonel Pacheco Cespedes, in Moquegua, none of whom recognizes the other as superior.

A manuscript of a letter said to have been sent by General Hurlbut to the guerrilla chief Cáceres has been very widely circulated in Lima. In Lima the authenticity of this document was not doubted, and Mr. Hurlbut took no steps to deny it. Your excellency will permit me to inclose a copy of this strange document, which has been published in the press of Panama. I received a manuscript copy, with the assurance that it was authentic.

I take pleasure, &c.,

M. MARTINEZ.

[Inclosure in note from Mr. Martinez, of January 18, 1882.—Translation.]

Mr. Hurlbut to General Cáceres.

DEAR SIR: I did not, for weighty reasons, answer your letter by the same person who brought it to me.

The United States have already recognized the constitutional government, first in the person of Dr. Don Francisco Garcia Calderon, and afterwards in that of the Vice-President, Rear Admiral Montero.

It is, consequently, evident that it is impossible for it to recognize any other government.

The plan of a junta appears to me to be altogether impracticable in fact and inadmissable in theory. A government under this form would, in my judgment, only lead to disagreement and discord, and instead of assuring unity of action, would involve uncertainties and hesitations.

I am anxious to see the speediest disappearance of all parties, and that all Peruvians may be united for the maintenance of a constitutional *règime*. This would demand sacrifices on the part of some, but all good causes are strengthened precisely in this way—by sacrifices.

Within ten days or two weeks there will reach this city special commissioners sent out by the United States. It is of the highest importance to say to them that all Peru is at last united in the sole aim of saving the country.

I see no other way by which you can add additional lustre to your high reputation, nor by which you can render such good service to the cause of the independence of Peru.

I am, &c.,

S. A. HURLBUT.

LIMA, *December* 11, 1881.

3.—PERU.

No. 147.

Mr. Gibbs to Mr. Evarts.

[Confidential.]

No. 311.] LEGATION OF THE UNITED STATES OF AMERICA,
Lima, Peru, February 19, 1879. (Received March 17.)

SIR: As we have no minister at Bolivia, and a serious, that is now an open, rupture having risen between that country and Chili (partly referred to in my dispatch No. 304, of 10th instant), and which is very probable will involve this republic, I have thought it necessary to inform the department of the events that have taken place and the causes to date.

The district or province of Atacame is a desert, or at least a greater part that borders on the Pacific Ocean in Bolivia, bounded on the south by the parallel line of the twenty-fourth degree of latitude, a line that was agreed upon with Chili in a treaty of limits celebrated between the two countries August 6, 1874, the Bolivians agreeing to pay the Chilians half of the export duties collected on all minerals exported from Atacame. By a protocol to the above treaty, made in July, 1875, the agreement in relation to duties collected on metals was rescinded, but remained on guano. Previous to this treaty many rights and franchises were ceded by Malgarejo, one of the Presidents of Bolivia, but the Bolivians claim that those cessions were never confirmed by any legislative sanction.

The province of Atacame is very productive of nitrate and, in many parts, of borax. The desert extends from the coast about 70 miles eastward to the Andean range of mountains, which are rich in metals—copper, silver, and gold. Antofagasta, about latitude 23° 40′ south, is the port from whence are exported the products of the nitrate fields. The nitrate works, the railroad from the port to manufactories, the moles at the port, all are owned and built by Chilian and some English capitalists.

According to the treaty of 1874 with Chili, every facility was given to induce the Chilians to invest their capital in these works, and by Article IV it was stipulated.

> The duties of exportation imposed on minerals from the zone referred to in the previous articles shall not be increased to more than actually paid at present; nor the persons, industries, or capital of Chilians shall be subject to contributions or taxes of any kind other than those existing. The clause in this article shall remain in force for the term of twenty-five years.

By a law passed in the Bolivian Congress February 14, and decreed the 23d, 1878, it was ordered that all nitrate exported from Antofagasta should pay ten cents per quintal as contribution. It was not put into force at the time, remaining in abeyance. The nitrate company and the Chilian minister at La Paz interposed to prevent, if possible, the carrying out of the law; the company, on the ground that their rights, legally acquired, were attacked; the minister, in defense of an existing international treaty. Matters remained in this state, when, on the 8th of November last, the Chilian government, through its minister at La

Paz, informed the Government of Bolivia that if the law of contribution was put into force Chili would declare the treaty of limits of 1874 annulled, and would throw the responsibility on Bolivia.

The Government of Bolivia answered that there was no room for such a measure, as the tax was imposed on an association or company. The result was that an order was given to the authorities of Antofagasta for the immediate collection from the nitrate company of the sum of $90,848.15, being the amount calculated on export of nitrate from the date of the decree of the 14th of February; this order was given on the 17th of December; on the 18th the Chilian minister, in a note to the Bolivian Government, that on receiving the note ordering the tax to be collected, he, in the name of his government, declared the treaty of 1874 abrogated.

On the 26th of December the Bolivian Government answered the Chilian minister saying that the course taken by the Chilian Government was to be regretted; that it was justified in its procedure, and reminding the minister that according to article 2 of the treaty there was always a chance in such cases for arbitration.

It appears that Bolivia held off, and would have left the question to be regulated by Congress on its meeting, or by arbitration; but the action of Chili, in its note of the 8th of November, aroused the feelings of the Bolivians, and caused the order for the carrying out of the decree.

Various rumors reached Peru that a rupture would take place but were not generally credited, all doubts were removed a short time since when it was known that Chili had ordered some vessels of war to carry troops to Antofagasta, to land, seize the port, railroad, and the nitrate works. From information received by telegraph, it appears that a fleet of Chilian vessels arrived at the port on the 14th instant, disembarked fifteen hundred troops and have taken possession of the place; the fleet consisted of the iron-clad Admiral Cochrane, the Blanco Encalada, and the O. Hoggins. It is said that these vessels carried arms and ammunition for two thousand more men that could be armed in Bolivian territory as a great majority of inhabitants of the nitrate district are Chilians.

On the 16th instant Señor Reyes Ortiz, minister of foreign affairs of Bolivia, now acting as a special envoy, arrived at this capital, it is said by the press, to ask permission for the privilege to pass Bolivian troops through Peruvian territory, from Lake Titicaca to Mollendo, a port some 400 miles north of Antofagasta.

It is certain that the arrival of this envoy has caused quite a sensation; it is thought that the object of his mission is to induce Peru to take part with Bolivia.

I have heard on various occasions that there existed a secret treaty for an alliance, offensive, and defensive, between the Argentine Republic, Bolivia, and Peru, against Chili; by making inquiries I have learned from trustworthy sources that a treaty as above was made and signed July 3, 1873, and is still in force.

Foreigners residing in Peru will notice that there exists great antagonism against Chili; while apparently friendly as two sisters and neighboring republics of the same origin, there is a deep feeling of antipathy between them. It is difficult to give a cause for these sentiments; the Peruvians say that Chili is overbearing and rejoices at any ill fortune that may overtake her neighbors. I believe this feeling of ill will goes back for generations, the Peruvians looking upon the Chilians with contempt during colonial times.

Most of the persons with whom I have conversed in relation to this rupture express regret at the state of affairs, but it can be easily per-

ceived that their sympathies are with Bolivia, not for any liking for that republic, but through ill will to Chili; and I judge Peru will eventually be induced by some overt act to take part with Bolivia against Chili.

The President of this republic, General Prado, when an exile from this country, resided in Chili; and it is said is personally very friendly to that State, where, reports say, he has also pecuniary interests. I think General Prado will do all that is possible to prevent an outbreak between the countries, but I fear that public opinion will counteract his peaceful efforts and overwhelm him.

What may complicate Peru is a treaty made in secret session February 5, 1877, wherein the right of transit was guaranteed to Bolivian troops through Peruvian territory at any time; this treaty is not spoken of, but to a few is known to exist.

A few days ago a committee of some of the principal Peruvian naval officers were ordered to examine the war vessels of this republic, now at Callao; the result of the examination was an order that the vessels should go into dock to be overhauled and cleaned.

It is to be greatly regretted that these South American States should be so easily led into war, and for such trifling causes; none of them can afford it; this country, as will be seen by my despatch No. 304 of the 10th instant, is in a very impecunious state, Chili not so much, and financially is better off; Bolivia has not much to lose; the Antofagasta nitrate fields are separated from the agricultural and inhabited parts of the republic some hundred of miles by the western range of the Andes, crossed by narrow and difficult passes at certain points.

Chili could easily hold the coast, and perhaps annex it, if Peru does not interfere. Some of the principal mines of Bolivia, silver and copper, are worked by Chilians and with Chilian capital; these would be seized and confiscated by the Bolivians.

By some thinking persons it is feared that if Peru takes part in the conflict, and troops are taken from Lima for the southern provinces, Piérola will make his appearance in a short time near the capital; if he did, I think it would upset the present administration and create great political changes in the country.

I am, &c.,

RICHARD GIBBS.

No 148.

Mr. Gibbs to Mr. Evarts.

No. 314.] LEGATION OF THE UNITED STATES OF AMERICA,
Lima, Peru, February 26, 1879. (Received March 17.)

SIR: I have the honor to refer to my dispatch, No. 311, of the 19th instant, in relation to the conflict between Chili and Bolivia. On the 15th the Chilian minister at La Paz declared that peace had been broken, and demanded his passports, which were given.

On the 23d instant telegrams were received that the Chilian Government had prohibited the exportation of mules from the Argentine Republic to Peru. On the 23d the mails from the south brought full details of the taking of the ports of the Bolivian coast, which reads like a formal possession by the Chilian forces, and intentions of remaining, the Bolivian authorities having left and Chilian taking their places.

It is not known what position this country will take, the last three days being carnival, no papers have been published, and all official business suspended.

I am, &c.,

RICHARD GIBBS.

No. 149.

Mr. Gibbs to Mr. Evarts.

No. 316.] LEGATION OF THE UNITED STATES OF AMERICA,
Lima, Peru, March 5, 1879. (Received March 26.)

SIR: I beg to refer to my dispatch, No. 314 of 26th ultimo, in reference to the occupation of Bolivian coast territory by Chilian forces, the details that arrived by the coasting steamers confirm the news, and all information points to the fact of an apparent determination of the Chilians to remain, as they have established civil and military government in due form on all the points occupied.

Great excitement exists in this country in relation to the matter, the press, with rare exceptions, calling on the government to take an active part with Bolivia against Chili. A remarkable article appeared in "El Nacional," calling on the President to declare war against Chili or resign; the papers of last evening call for an extraordinary Congress, and, from all that I can learn, I think that this country will be led into the question, taking part with Bolivia, for there is no doubt that there is a strong anti-Chilian feeling through all Peru.

Senator D. José Antonio Lavalle, a distinguished Peruvian, has been sent to Chili on a special mission in relation to this affair, and I judge much will depend upon his reception by the Chilian Government, which will decide the course to be taken by the republic. He has filled the position of minister to Russia and Germany. From private telegrams received, it is thought that his mission will be ineffectual.

I am, &c.,

RICHARD GIBBS.

No. 150.

Mr. Gibbs to Mr. Evarts.

No. 317.] LEGATION OF THE UNITED STATES OF AMERICA,
Lima, Peru, March 12, 1879. (Received April 3.)

SIR: I have the honor to refer to my preceding dispatch, No. 316, of 5th instant, relative to the Chili-Bolivian question. In writing upon this subject it is to place the Department in knowledge of events that may affect this republic. I presume I am also warranted in mentioning affairs of Bolivia, as at present the United States has no representative at that republic to explain affairs. I have to refer to acts of the Chilians, wh ch belong properly to my colleague, Mr. Osborn, at Santiago. I make this explanation that it may not be inferred I am writing on matters outside of my mission.

Up to the present, I have no information of a formal declaration of war having been made either by Chili or Bolivia.

Chili has, by force of arms and through her vessels of war, taken pos-

session of the coast of Bolivia from its limits, latitude 24° south, down to Tocopilla, north of the twenty-second degree, within 30 miles of the river Loa, which is the boundary line between Peru and Bolivia, and holds the whole coast, establishing marine, military, and civil government. From articles here published, taken from the Chilian press, it is said to be only a reoccupation of territory that belonged to Chili, ceded by treaty for certain rights granted, which, not being carried out, Chili has merely repossessed themselves of their own, or, in Spanish, "revindicacion," which may be translated "reinstation."

The only official action taken by Bolivia is a proclamation by President Daza, which is not a declaration of war. I inclose a copy of it in Spanish, taken from a Lima paper, and a translation from the South Pacific Times, of Callao.

This government continues its preparations, I suppose following the old adage, "If you wish peace, prepare for war."

On the 7th instant a regiment of infantry was sent to Callao to be embarked for Iquique, the great nitrate port, the most southerly in this republic, and within about 80 miles of the boundary line between Peru and Bolivia. Great enthusiasm was manifested, and the scene at the railroad station was one of great excitement, a multitude being there to see them off. Yesterday the monitors Atahualpa and Manco Capac got up steam, left their anchorage, and practiced with their heavy guns.

The Peruvians have a large quantity of heavy Blakely, Rodman, and other guns in their deposits, and are changing the smooth-bores on their iron-clads for rifle-bores. Their fighting fleet consists of four iron-clads; Independencia, 2,004 tons, 550 horse-power, 22 guns; Huascar, turret, 1,130 tons, 300 horse-power, 5 guns; Manco Capac, monitor, 1,034 tons, 330 horse-power, 2 guns of 500; Atahualpa, 1,034 tons, 330 horse-power, 2 guns of 500.

The authorities are doing all possible to avoid any public demonstration that may complicate affairs. The students of the oldest and most important university of the country, San Carlos, called a meeting of its members, or alumni, to take place at the fair grounds on the 9th instant. The chief of the police was on the ground and did not allow it to take effect. The young men on arrival there were quietly informed that it would not be permitted, and they returned without making any demonstration.

On the 10th instant telegrams were received from Senator Lavalle, the special minister sent to Chili, stating that his reception at the capital, Santiago, was satisfactory.

These people are of a very excitable nature, and as such the first impressions quickly pass. I think if no extraordinary event takes place, and the actual state of affairs is not changed by some overt act on either part, peace may be preserved between this country and Chili; although there is a feeling of obligation by events that are to be feared in the future. Many Peruvians fear that if the Bolivians are left to themselves they will try and seize the southern province of Tarapacá, the great nitrate deposit, and a more immediate outlet for them to the coast.

One of the results of this uncertainty is the effect on financial affairs. Exchange on England has fallen from 23*d.* to 19½*d.* per sol; American gold 120 premium, now 150, and the necessaries of life increasing in price.

Want of funds may check the war fever of the Peruvians, but one of the leading papers, in last evening's edition, says there are three ways of raising money: an appeal to the country for voluntary contributions

to the war; a direct war-tax on the whole population; or, in an extreme case, emission of paper money.

I have just this moment, at a late hour, received a note from the Bolivian minister, Mr. Zoch Flores, declaring that his country accepts the war forced on them by Chili. I inclose copy with translation. He wishes me to telegraph the idea to the State Department, but, on reflection, I advised him to do it personally over his own signature. He informs me that by the mail received this day there is an immense enthusiasm in all Bolivia for the war, and there will be no lack of funds or men.

I am, &c.,

RICHARD GIBBS.

[Inclosure 1 in No. 317.]

[From the South Pacific Times, Tuesday, March 11, 1879.]

The important documents of which the following are translations have been published in the Bolivian papers:

HILARION DAZA, President of the Republic of Bolivia—

Considering:

That the military occupation of the department of Cobija by the invading forces of the Chilian squadron is an unjustifiable attack on the sovereignty of the republic and its territorial integrity;

That the country being invaded it is a national duty to sustain its independence and defend its dignity with the unanimous efforts of all Bolivians, who, in the hour of conflict, have always known how to unite with integrity and patriotism;

I decree:

SOLE ARTICLE. An amnesty, ample and without restriction, is conceded to all Bolivian citizens who, for political motives, should be under trial or abroad, certain that they will place themselves on the side of the government, which at present has no other thought than that of raising very high the national banner under whose shadow all the sons of the soil will fraternize.

Given in the city of La Paz, on the 20th day of the month of February, one thousand eight hundred and seventy-nine.

H. DAZA.
MANUEL OTHOU JOFRÉ.
JULIO MENDEZ.

Countersigned:

EULOGIO D. MEDINA.

A true copy.
The chief officer of government,

LUCIANO VALLE.

HILARION DAZA, President of the Republic of Bolivia—

Considering:

That the parts of Antofagasta, Mejillones, and the mineral district of Caracoles have been occupied by expeditionary forces of the Republic of Chili; that this act of unjust and perfidious aggression compels the nation to take up arms to defend the integrity of its territory, its sovereignty, and independence, assailed by an unloyal and ambitious neighbor; that the state of war to which the republic has been impelled makes it necessay to confer on the government the efficacious and extraordinary power which the political constitution of the state concedes to it in cases of great danger in consequence of interior commotion or foreign war, the counsel of ministers having been heard;

I decree:

SOLE ARTICLE. The country is declared in danger and in a state of siege, in conformity with the prescription of the 26th article of the constitution of the state; in consequence the government is invested with the faculties contained in the 27th article, while during the present circumstances of war, brought on by Chili, endure.

The ministers of state, each in his respective branch, remain charged with the execution of the present decree.

Given in the city of La Paz, on the 24th day of the month of February, one thousand eight hundred and seventy-nine.

H. DAZA.
MANUEL OTHOU JOFRÉ,
JÚLIO MENDEZ.

Countersigned:

EULOGIO D. MEDINA.

A true copy.
The chief officer of government,

LUCIANO VALLE.

[General Order.]

MINISTRY OF WAR,
Headquarters, La Paz, February 27, 1879.

The President of the Republic has considered it desirable to make known to the army the occurrences on the frontier, and has issued the following proclamation:

SOLDIERS: Under the shadow of peace, which should be unalterable and cordially sustained by the Republics of Chili and Bolivia, because the interests of both countries so require it, and because my government has taken care to cultivate with diligence its fraternal relations, that of that nation has just consummated an outrage on civilization for which there is no name. On the 14th of this month two Chilian steamers of war, with eight hundred men for disembarkation, and supported by a considerable number of persons depraved by misery and vice, assassins of the curved blade, have taken possession of our defenseless ports of Antofagasta and Mejillones by surprise, without previous declaration of war, without taking into account that civilization condemns vandalic acts more than it does those of hordes of savages, if they are committed by nations and governments which pretend to culture. The result of an international iniquity, it is natural that it should have been the perpetration of crime as a praisworthy action. A Bolivian policeman, his wife and child, in Antofagasta, and four laborers in Carmen Alto, have been assasinated with the special weapon of the Chilian bandit, the curved dagger.

COMPANIONS: So cynical a conculcation of the rights of humanity imposes on all the States of the American continent a sacred duty of eminent justification and of foresight, which sooner or later they will have to fulfill.

In the mean time the Bolivian army will let the world know that the honor of Bolivia and the integrity of its territory are under the safeguard of its bayonets, and that on this occasion, as on others, it will know how to chastise its cowardly aggressors.

COMRADES: I expect everything from your patriotism, your serenity, and discipline. If the government which has believed it would humiliate us by the occupation of our desert shores does not honorably retract its vandalic acts, there will remain inaugurated for us a glorious epoch, because we will all fulfill with emulation the holy duty of fighting without truce or hesitation the enemies of the national autonomy, the usurpers of our territory, the conquerors of civilized towns. Let our motto be to "live or die for Bolivia."

Be ready for the precious moment in which the campaign opens, and we will march to recover the beautiful soil of Atacama, which was left us by the founders of the republic.

H. DAZA.

HEADQUARTERS IN LA PAZ,
February 27, 1879.

This is made known in the order of the day to the end that the chiefs, officers, and troops redouble their efforts and perseverance to arrive at the highest degree of *morale* and discipline, indispensable elements for the fulfillment of the sublime duties which in these moments Bolivia imposes on its sons armed in its defense, and to obtain splendid victories.

The general and minister.

JOFRÉ,
The 2d Adjutant Major.

A true copy.
The colonel adjutant-general.

IGNACIO CEVALLOS.

No 151.

Mr. Gibbs to Mr. Evarts.

No. 322.] LEGATION OF THE UNITED STATES OF AMERICA,
Lima, Peru, March 19, 1879. (Received April 14.)

SIR: Referring to dispatch No. 316, of the 5th instant, relating to the Chili-Bolivian rupture, I have not much to add. Preparations going on and all appearances of Peru and Chili gravitating to war, which means ruin. I inclose translation of a decree given by President Daza, of Bolivia; expulsion of Chilians and embargo of their property.

I am, sir, &c.,

RICHARD GIBBS.

[Inclosure 1 in No. 322.]

[From the South Pacific Times, Tuesday, March 18, 1879.]

EXPULSION OF CHILIANS FROM BOLIVIA.

The Government of Bolivia have issued the following decree:

[Translation.]

HILARION DAZA, President of the Republic of Bolivia—

Considering:

That the Government of Chili has invaded *de facto* the national territory without observing the rules of international law or the practice of civilized nations, violently expelling the authorities and Bolivian citizens resident in the department of Cobija;

That the Government of Bolivia finds itself in duty bound to dictate the energetic measures which the seriousness of the situation demands, without departing, however, from the principles recognized by the rights of nations;

I decree:

ART. 1. All trade and communication with the Republic of Chili is prohibited during the continuance of the war undertaken by that republic against Bolivia.

ART. 2. The Chilians resident in Bolivian territory must disoccupy it within the term of ten days from the date of the notification, which should be made them by the local political authority; they being at liberty to take with them their private papers, their baggage, and articles of personal use.

ART. 3. The expulsion ordered in the previous article can only be suspended for the term, which should be strictly indispensable, on account of sickness or other serious impediment in the judgment of the authorities.

ART. 4. The respective authorities will proceed, as a war measure, to embargo the fixed and moveable property belonging to Chilian subjects within the territory of the republic, with the exception of the objects designated in article 2. The mining property belonging to Chilians, or in which there should be shareholders of that nationality, may continue to be worked under the charge of an administrator appointed by the authorities or with the intervention of a representative of the government, as they may think most desirable.

ART. 5. The net proceeds of the mining property belonging to Chilians, or of shares belonging to the same, shall be deposited in the national treasury.

ART. 6. The embargo ordered by this decree will be converted into definite confiscation, should the kind of hostilities engaged in by the Chilian forces require an energetic retaliation on the part of Bolivia.

ART. 7. All transferences of Chilian interests made at a later date than the 8th of November last, on which date the Chilian Government declared the treaty of 1874 annulled, will be ignored; and any contract which should have been agreed upon in this respect will be considered void.

The minister of government and foreign affairs will take charge of the publication and execution of this decree.

Given in the city of La Paz the 1st day of March, 1879.

H. DAZA.

No. 152.

Mr. Gibbs to Mr. Evarts.

No. 323.] LEGATION OF THE UNITED STATES OF AMERICA,
Lima, Peru, March 26, 1879. (Received April 15.)

SIR: Referring to my preceding dispatch, No. 322, of 19th instant, I have not much to add.

The Peruvians preparing their iron-clads and monitors; also many men working at the shore defenses and batteries at Callao.

On the 24th instant a proclamation was published in due form convoking an extraordinary session of Congress to meet on the 24th of April next. The proclamation simply states the reason, as follows:

1st. To make known to the Congress the conflict existing between Chili and Bolivia, so that the position of the republic in relation to the belligerents be defined, and to resolve what might be necessary.

2d. To treat on matters of the highest importance and general interest that the government may deem necessary to place before it.

I should not be surprised if Chili takes the first step and not await for a declaration of war from Peru, but strike the first blow. If they do, it will be unfortunate for this republic, as it appears to me they are not ready to enter into a conflict on the sea, for which I believe the Chilians are better prepared.

I am, &c.,

RICHARD GIBBS.

No. 153.

Mr. Gibbs to Mr. Evarts.

No. 326.] LEGATION OF THE UNITED STATES OF AMERICA,
Lima, Peru, April 2, 1879. (Received April 28.)

SIR: Referring to dispatch No. 323, of 26th ultimo, as I expected, Chili has declared war. This forenoon several commercial houses and various persons received telegrams from Valparaiso stating that war had been declared. This news I suppose has been forwarded already from Valparaiso by telegraph to the Department.

The news has been received with little excitement, as it was expected by many. It has disturbed financial affairs, exchange being nominal. American gold is held at 200 per cent. premium and Peruvian silver 130.

I think this war will affect our commerce, as we have quite a number of vessels loading at the guano and nitrate ports, and I would suggest a larger number of vessels of war on this coast for the protection of our flag.

Up to the present, news has been received of one skirmish between Bolivians and Chilians, at Calama, on the river Loa, in the interior, near the Peruvian boundary, the Bolivians abandoning the town and retiring to the interior.

Chilians now occupy the whole Bolivian coast.

I am, &c.,

RICHARD GIBBS.

No. 154.

Mr. Gibbs to Mr. Evarts.

No. 329.] LEGATION OF THE UNITED STATES OF AMERICA,
Lima, Peru, April 8, 1879. (Received May 5.)

SIR: On the 5th instant I received a circular note from the Peruvian Government, of which the inclosed is a copy; also the number of the official journal referred to, El Peruano, annexed, containing the correspondence between the Chilian minister and the bureau of foreign affairs of Peru, relating to the suspension of friendly relations between the two countries and the retirement of the Chilian minister.

I have not had sufficient time to translate all of the documents, but have a part—the first note of the Chilian minister, of 17th ultimo, asking explanations and demanding declaration of neutrality; the answer of the Peruvian Government, referring to the mission of Mr. Levalle to Chili; and I have taken from the South Pacific Times, of Callao, of this date, translation of the final note of the Peruvian Government to Mr. Godoy's, in which he asks for his passport.

I have answered the circular note of the bureau of foreign affairs, as per inclosed copy.

In connection with the foregoing, I inclose a copy of the translation, from the South Pacific Times, of the secret treaty between Peru and Bolivia, referred to.

I am, &c.,

RICHARD GIBBS.

[Inclosure 1 in No. 329.—Translation.]

Mr. Irigoyen to Mr. Gibbs.

Circular.] BUREAU OF FOREIGN AFFAIRS,
Lima, April 5, 1879.

SIR: By the documents to be found in the inclosed number of the official journal, your excellency will be informed that the Government of Chili, through the diplomatic agent who represented it in Lima, has declared war against Peru.

My government will in due time, in a document, inform your excellency the manner in which it has proceeded since the initiation of the Chilian-Bolivian question and the motives which have guided it.

In the mean time the contents of the said documents are submitted to the judgment of your excellency and of the Government of the United States.

I improve, &c.,

M. IRIGOYEN.

[Inclosure 2 in No. 329.—Translation.]

Mr. Godoy to Mr. Irigoyen.

LEGATION OF CHILI IN PERU,
Lima, March 17, 1879.

SIR: The bellicose preparations which your excellency's government has commenced since the outbreak of the Chilian-Bolivian conflict are notorious.

The army has been considerably increased, and increasing to a number much more than is necessary for ordinary service in time of peace; a large division of it, well armed and abundantly supplied with munition, have been sent near to the territory which will be the ground probably of battle which the Bolivian army dispose to use against that of Chili.

The vessels of which the Peruvian Navy is composed are preparing and getting ready, as if entering in active service; speedily increasing their crews, strengthening

their armament, embarking munition stores and combustibles, making frequent and unusual exercises; new iron-clads have been urgently ordered from Europe to increase the navy, which, during many years of international peace, was considered sufficiently powerful; the ports that defended the port of Callao and shelter the national fleet are mounting guns, recruiting men for service, gathering material, and are exercising diligently their guns, getting ready, in a word, to sustain battle.

Along with these indications of a bellicose attitude, unexplained by the excitement of any known danger that menaces the honor, the integrity, or interest of the republic, it is to be also noticed, in at least a portion of the people, the sound, spontaneous or suppressed, of sentiments of hostility towards Chili—sentiments bitterly expressed daily, exciting the feelings, aggravating passions, and even clamoring openly for war; the Peruvian press nearly unanimously so; and what shows, too, feeling, was a popular meeting yesterday, that unmolested passed through the streets of the city to the Bolivian legation, exchanging sentiments of deep sympathy for Bolivia and hate and war against Chili.

And to such violent motives of inquietude and danger for those whom in Chili, as others in Peru, who have dedicated their sincerest efforts to the conservation of peace and the unaltered friendship between both states, it is necessary to add another of extreme gravity—the conviction not denied authoritatively by any person up to the present, which, in either country exists, that Peru is formally compromised to make common cause with Bolivia against Chili in virtue of a secret alliance offensive and defensive.

In view of this state of affairs, Chili, that has not in its international relations ceased to give for as many years as it has autonomous existence undoubted proof of its love, peace, that no effort within reach of its will and compatible with its honor has ever been omitted to preserve perfect harmony with other nations, and to create the sympathies of those who specially have the same origin and nearly common destiny, who, if to-day, has broken its relations of friendship with one of these, and disposed to avail the decision of the controversy by battle, it is because to such extreme it has been dragged by the Government of Bolivia, daringly breaking a solemn treaty, opposing obstinate resistance to all means of a friendly compromise, ordering arbitrary proceedings as the ultimate answer to the pacific and benevolent invitations that up to the last moment were made. Chili, whose armies twice passed the limits of its frontiers, because it came under allied banners to shed its blood for the redemption of Peru; Chili, who desires to increase and strengthen the bands of friendship, of esteem, and of common interest that binds it to this republic as sincere, as well proved, has cause in the defense of its rights to be preoccupied in the attitude that reveals the existence of which there is no doubt of the secret alliance with Bolivia, the hostile demonstrations without guise of a portion of the people, and the warlike preparations on the part of the government.

I believe it proper to make it clearly understood the action in respect to the Government of Bolivia to ask seriously if the government of your excellency has the intentions which duty imposes of remaining neutral in the face of the acts which are and may take place in Chili, defending with arms the reoccupation of the territory of the coast south of the 28th degree of latitude.

I await with confidence that your excellency's government giving proofs that to Peru it is not indifferent, the traditional friendship with Chili; that for mutual convenience and the dictates of justice it will not refuse a formal declaration of neutrality, thus clearing away all want of confidence between two nations that should live in perfect harmony.

To obtain this declaration my government has given me special orders, to which I will faithfully adhere, praying that your excellency will be pleased to give this subject preference, which in itself is very necessary to calm immediately the injurious effects of the alarm that dominates in all minds.

I improve this occasion to reiterate, &c.,

JOAQUIN GODOY.

Mr. Irigoyen to Mr. Godoy.

LIMA, *March* 21, 1879.

SIR: I had the honor of receiving the note of the 11th instant, in which your excellency, after making various reflections relative to the conflict existing between Chili and Bolivia, terminates, asking through specific orders from your excellency's government that that of Peru will make a formal declaration of its neutrality in face of the acts that have and may take place between said republics.

His excellency the chief of the nation, to whom I have given account of said notes, orders me to inform your excellency that Peru, having accredited a special mission to Chili precisely destined to understand with the government of your excellency on all incidents that have happened, or may take place in the future on the coast of Bolivia,

of which the cabinet at Santiago has not as yet made known, orders have been given to the plenipotentiary who fills the mission, the necessary instructions on the points referred to by your excellency in said note.

I improve this opportunity, &c.,

MANUEL IRIGOYEN.

[Inclosure 3 in No. 329.]

[From the The South Pacific Times, April 8, 1879.]

THE RETIREMENT OF THE CHILIAN MINISTER.

The following is the communication of the Peruvian minister of foreign affairs to Señor Godoy, the late Chilian minister in Lima, in reply to the latter gentleman's letter asking for his passport:

[Translation.]

MINISTRY OF FOREIGN AFFAIRS,
Lima, April 4, 1879.

The undersigned, minister of foreign affairs for the Republic of Peru, had the honor of receiving yesterday, at 1.30 p. m., the note of the same date which his excellency the envoy extraordinary and minister plenipotentiary of Chili was pleased to address to him, announcing in the name of his government the rupture of the good relations between Chili and Peru, and the termination of his diplomatic mission, and requesting, in consequence, that his passport be handed him.

The very grave importance of the said document makes it the duty of the undersigned to examine the reasons therein set forth, in support of such a transcendental determination of the Chilian Government, and accordingly he here commences to do so, beginning by assuring your excellency that the charges brought against this government on account of the manifestations that the Peruvian people have thought fit to make concerning the Chilian-Bolivian war, through the medium of the press and by means of popular meetings, totally disappear before the consideration that they have been made in the exercise of a right sanctioned by the law, and also that they have originated in the attitude of the Chilian press and people, which, since the commencement of the war, forgetting that the question was with that government, have busied themselves with marked satisfaction in calumniating Peru and its government, and in rousing up against them the worst and lowest sentiments of the masses, one of the numerous results of such a line of conduct having been the outrages committed in Valparaiso and Antofagasta on the consulates of this republic. The press of this country, on the other hand, has never assumed the tone and tendencies of that of Chili; neither have the popular meetings in Lima and in other places ceased for a single moment to be other that calm and irreproachable gatherings, nor have the authorities once relaxed their diligence in taking measures, although they knew that such were unnecessary, to prevent the least possible chance of any offense being given to the representatives of Chili, as your excellency is aware.

And having made these indispensable observations on what your excellency says in the note on these subjects, the undersigned now proceeds to take into serious consideration the points of real importance in the same document.

Your excellency states that the treaty of alliance existing between Peru and Bolivia, and which all the precautions taken have failed to keep secret, formally bound the first named country, in the event of such a war arising as that between Bolivia and Chili to-day, to become the enemy of Chili and to cause the damage of that country by the aid of its navy, army, and treasure.

The undersigned is ignorant how your excellency can make such an asseveration, knowing, as you do, since the middle of March last, the general and defensive character of the treaty in question, as also the obligation it imposes upon both the contracting parties to employ with preference every conciliatory measure possible to avoid a rupture, and the right that each had reserved, of deciding whether the offense offered to the other was such as to warrant the bringing into effect of the treaty. Your excellency was first assured of this by his excellency the President of the republic, and subsequently by the undersigned, and almost at the same time the government of Santiago must have received the same assurance direct from the plenipotentiary, Señor Lavalle, an assurance sufficiently powerful to cause Chili to rightly estimate the spirit of conciliation and peculiar deference shown by Peru, since, although authorized to present itself as the ally of Bolivia from the first day on which the government of your excellency occupied with its troops the Bolivian coast, it deferred putting into execution of the treaty of alliance, endeavoring without ceasing and without omit-

ting any proper means to bring about an arrangement which, without the necessity of appealing to the said treaty, should do away with the possibility of a war between three republics so obviously intended to live perpetually in perfect harmony with one another.

The government of your excellency appears, nevertheless, not to have given credit to such explicit and frank assurances, and shows itself to be deeply offended by the existence of an alliance not celebrated to its damage nor harm, and which it has been in its power to leave without effect, and of the precise wording of which, if your excellency has not been informed, as you request to be, it has merely been because inasmuch as one of the clauses stipulates for reserve until both the contracting parties should deem it necessary and agree to it in due form, the government of the undersigned was unable to act on its own decision.

Treaties of the character and tendency of the one in question are perfectly allowable as a means of cementing closer the relations of two states with one another, particularly when these are situated as are Peru and Bolivia, and no nation has the right of taking offense at their existence.

Under no pretence, therefore, is it just that the Chilian Government should accuse Peru of having taken a measure of preconceived hostility in celebrating a treaty which can only affect that government, should it attack, as it has done, the clearest and most vital rights of one of the contracting parties.

Neither can Chili be surprised nor complain because Peru has made a defensive alliance with Bolivia, since Chili herself more than once has striven to effect the same thing, and not in the inoffensive and abstract manner in which Peru has done it, but, with the express object, to which I abstain from applying the true name, of acquiring that portion of the Bolivian coast of which it has now forcibly possessed itself, under the pretext of recovering what was formerly its own, promising in return to aid Bolivia with its ships, armies, and treasures in the rash attempt to dispossess Peru of Iquique and Arica as far as the morro of Sama. Chili also, in the year 1864, with hostile intentions towards Peru, solicited the alliance of Ecuador, and at various periods and with repeated instances that of a nation as powerful as she is wise and prudent.

Nevertheless the most perfect harmony existed between Peru and Chili, whilst these secret negotiations, which time has disclosed and proved, were going on.

The assertion made by your excellency, to the effect that the government of the undersigned has commenced to give effect to the said treaty of defensive alliance, by directly, though secretely, providing the Government of Bolivia with arms and munitions of war, is completely void of foundation, and is offensive to the proved loyalty of Peru, and accordingly it is the obligation of the undersigned to state so.

Another portion of the note of the Chilian minister which the undersigned considers it his duty to elucidate is that which refers to the treatment to which your government thought proper to subject the communication of your excellency of the 17th of March last, wherein, after making identical accusations to those contained in the present note, Peru was requested to declare its neutrality.

Your excellency was duly advised by the communication which the undersigned addressed to you on the 21st of the same month, and that the Government of Peru having appointed a special mission to treat directly with the cabinet of Santiago, about everything relating to the Chilian-Bolivian war, its members would be duly instructed as to all the matters referred to in the said communication of your excellency.

The Government of Peru, therefore, did not refuse to furnish the required explanations, but confined itself, in accordance with the usual observance of diplomacy, to doing same through the medium of its plenipotentiary *ad hoc.*, to which end it remitted him on the 22d of the said month, that is to say, on the following day to that on which the reply mentioned was addressed to your excellency, the necessary instructions, one of which ordered him to forward to His Excellency Señor Fierro a copy of the note containing them.

The undersigned is convinced that the explanations which Señor Lavalle was instructed to give were capable of inducing the Chilian Government to take a more tranquil view of the true motives that have guided the conduct of Peru.

Unfortunately, and when the latest communications from Señor Lavalle, which came to hand the day before yesterday, encouraged the hope that the means of arriving at a satisfactory solution of the matter were not yet all exhausted, other counsels have evidently been received and acted upon by the government of your excellency, which has not even seen fit to wait the short period necessary to receive the said explanations.

The note of His Excellency Señor Godoy concludes in saying that Peru has assumed the character of a belligerent, and that, it being incompatible with the dignity of Chili to maintain longer the legation accredited here, he announces as at an end his mission of peace, and throwing all the responsibility of this determination on the Government of Peru, which has made it inevitable, he asks for his passports in order to leave the country at as early a date as possible.

The Government of Peru, which has loyally done its best to avoid this extremity; which, if it celebrated a treaty of alliance with Bolivia in 1873, could not foresee that the Chilian Government would give cause to make that treaty effective against itself; which, if it has made certain warlike preparations, has given them no other shape than the most insignificant form of precaution that the fears for its own safety called for, fears too well founded, unfortunately, as proved to-day; the Peruvian Government, in fine, which up to the last moment has done everything to avoid war, acknowledges the notification of the termination of the mission of peace of his excellency Señor Godoy.

The public conscience of every nation which has already published its irrevocable judgment, condemning the violations of the law of nations committed by Chili in causing the dismemberment of the territory of an American nation, will, it is to be hoped, show itself propitious to Peru in the war declared against her. Above all, the entire nation will duly support its government.

The undersigned concludes this communication by remitting to his excellency Señor Godoy the passport asked for, repeating once more, as he has the honor to here do, the sentiments with which the subscribes himself, your excellency's most obedient servant,

MANUEL IRIGOYEN.

[Inclosure 4 in No. 329.]

Mr. Gibbs to Mr. Irigoyen.

No. 108.] LEGATION OF THE UNITED STATES OF AMERICA,
Lima, April 7, 1879.

I have the honor to acknowledge the receipt of your excellency's circular note of 5th instant, with an inclosed copy of the official journal containing the correspondence with the late minister of Chili, at this capital, in which that country declares war against Peru.

Your excellency has been pleased to state that in due time the Government of Peru will make an exposition of the conduct observed by it since the initiation of the Chilian-Bolivian question, and the motive that has guided it; in the mean time, the said diplomatic correspondence is submitted to me to be forwarded to my government, so that it may receive due appreciation.

I have to inform your excellency that I greatly regret the occasion that gave cause for the communication, and I am assured that my government will receive the information of this conflict between sister republics with unfeigned sorrow and deep feeling.

I improve, &c.,

RICHARD GIBBS.

[Inclosure 5 in No. 329.]

[From the South Pacific Times, Tuesday, April 8, 1879.]

THE SECRET TREATY BETWEEN PERU AND BOLIVIA.

The Peruvian minister of foreign affairs, Señor Manuel Irigoyen, and the envoy extraordinary and minister plenipotentiary of Bolivia, Señor Serapio Reyes Ortiz, having agreed to publish the secret treaty of defensive alliance celebrated between their respective governments on the 6th of February, 1873, in accordance with the terms of the additional article appended to the said treaty, the same has now appeared in print and the following is a translation:

[Translation.]

ADOLFO BALLIVIAN, Constitutional President of the Republic of Bolivia:

Inasmuch as, between the Republics of Bolivia and Peru, represented by their respective plenipotentiaries, there has been celebrated in the city of Lima on the 6th day of the month of February of the present year, the following:

TREATY OF DEFENSIVE ALLIANCE.

The Republics of Bolivia and Peru, desirous to cement in a solemn manner the bonds that unite them, to increase thus their strength and mutually guarantee one another certain rights, have drawn up the present treaty of defensive alliance; to which end, the President of Bolivia has invested with ample powers to conduct the said negotiation, Juan de la Cruz Benevente, envoy extraordinary and minister plenipotentiary in Peru, and the President of Peru has conferred the same upon José de la Riva Aguero, minister of foreign affairs, who have agreed upon the following stipulations:

ARTICLE I. The contracting parties will unite and join to mutually guarantee their independence, sovereignty, and the integrity of their respective territory, binding themselves by the terms of the present treaty to defend themselves against all foreign aggressions, whether proceeding from another or other independent state, or from a force without a flag, owing obedience to no recognized power.

ART. II. The alliance will become effective to protect the rights expressed in the preceding article and particularly in cases of offense consisting:

1st. In acts tending to deprive either of the contracting parties of a portion of their territory, in order to assume dominion over it; or to yield it to another power.

2d. In acts tending to oblige either of the contracting parties to submit to a protectorate, sale or cession of territory, or to establish over it any superiority, right, or pre-eminence whatsoever, which may injure or offend the full and ample exercise of its sovereignty and independence.

3d. In acts tending to do away with or change the form of government, the political constitution or the laws that the contracting parties have made, or may in future make, in the exercise of the sovereignty.

ART. III. As both the contracting parties admit that every legitimate act of alliance is based upon justice, for each of them respectively, the right is established of deciding whether the offense inferred to the other is comprised amongst those mentioned in the preceding article.

ART. IV. The *casus fœderis* once declared, the contracting parties bind themselves to cease immediately their relations with the offending state; to hand their passports to its diplomatic ministers; to cancel the appointments of the consular agents; to forbid the importation of its natural and industrial products, and to close their ports against its ships.

ART. V. The same parties shall also appoint plenipotentiaries to adjust by protocol the arrangements necessary to determine upon the subsidies, the contingents of either sea or land forces, or the aid of whatever kind that must be lent to the republic which has received the offense; the manner in which the forces are to act and the assistance to be lent, and whatever else may be convenient for the defense. The meeting of the plenipotentiaries will take place in the place assigned by the offended party for that purpose.

ART. VI. The contracting parties bind themselves to provide the one offended with the means of defense of which each may consider it can dispose, though the arrangements pointed out in the preceding article may not have taken place, provided that they consider the case urgent.

ART. VII. The *casus fœderis* once declared, the offended party will not be able to make arrangements for peace, truce, or armistice without the concurrence of the ally who may have taken part in the war.

ART. VIII. The contracting parties bind themselves in addition:

1st. To employ with preference, whenever it is possible, every conciliatory measure in order to avoid a rupture or to put an end to the war, holding as the most effective the arbitration of a third power.

2d. Not to admit nor accept from any nation or government protectorate or superiority that may injure and lessen their independence or sovereignty, and not to yield up nor transfer in favor of any nation or government any part whatsoever of their territories, excepting in the cases of better demarkation of limits.

3d. Not to celebrate treaties of limits, or of other territorial arrangements, without the other contracting party first knowing of the same.

ART. IX. The stipulations of the present treaty do not extend to acts performed by political parties or the result of internal disturbance independent of the intervention of foreign governments; inasmuch as the principal object of the present treaty of alliance being the mutual guarantee of the sovereign rights of both nations, none of its clauses must be interpreted in opposition to its primary end.

ART. X. The contracting parties will, separately or collectively, when by subsequent agreement they may consider it convenient, solicit the adhesion of another or other American states to the present treaty of defensive alliance.

ART. XI. The present treaty will be exchanged in Lima or in La Paz, as soon as it is legally perfected, and will remain in full force on the twentieth day after said exchange takes place. Its duration shall be for an indefinite period, each party reserving

to itself the right of considering it as no longer existing when such shall be thought convenient.

In such a case the party desiring to annul the treaty must notify the other party of same, and the treaty will no longer have effect on the elapse of forty months from such notification.

In testimony whereof the respective plenipotentiaries signed it in duplicate and sealed it with their private seals.

Done in Lima on the sixth day of the month of February, one thousand eight hundred and seventy-three.

JUAN DE LA CRU BENAVENTE.
J. DE LA RIVA AGUERO.

Here follows an additional article which provides that the treaty shall be kept secret as long as both parties by common accord shall not deem its publication necessary.

The treaty having received the approbation of the extraordinary assembly of Bolivia and been confirmed and ratified by the then President of that country, Señor Adolfo Ballivian, was formally exchanged between the two parties, represented by their respective ministers, in the city of La Paz, on the 16th day of June, 1873.

The Peruvian Congress gave its approbation to the treaty on the 22d of April of the same year, and notified Señor Pardo, at the time President of Peru, of same on the 30th of the same month and year, who thereupon ratified it.

No. 155.

Mr. Gibbs to Mr. Evarts.

No. 330.] LEGATION OF THE UNITED STATES OF AMERICA,
Lima, Peru, April 9, 1879. (Received May 5.)

SIR: Referring to dispatch No. 326, of 2d instant, informing the Department of the declarations of war by Chili against this country, I will now relate what has taken place since that date.

On the 5th instant telegrams were received of the arrival of the Chilian fleet off the port of Iquique, the great nitrate deposit of Peru. Great excitement took place, as it was known that a division of the Peruvian army had lately landed there, but the place is defenseless against iron-clads. The Chilian admiral gave 24 hours' notice, but up to the present no bombardment has taken place.

Private commercial dispatches have been received stating that the Chilian commander gave ten days' notice for all neutral vessels to leave and suspending all loading and discharging. I have information of four American vessels being there in port.

More Peruvian troops have been sent, which landed at Pisagua, a few miles north of Iquique; also other forces, with batteries, have arrived at Arica still further north.

Great enthusiasm has been shown by all classes and nationalities in Lima.

Subscriptions in large amounts coming from every part, and large amounts subscribed by wealthy men and associations to be made monthly during the war.

On the reception of the news of the blockade of Iquique, the Chilian minister, Mr. Godoy, who had closed his legation and deposited the archives with the British minister, with whom he was staying, for reasons unexplained left on the night of the 5th instant, and took refuge aboard of the United States steamer Lackawanna, where he still remains, but I understand will go to Panama to-morrow.

I received a cablegram from Consul Merriam at Iquique to-day at 3 p. m., stating that the Pensacola, Admiral Rodgers, had arrived there,

of which I informed Captain Chandler, of the Lackawanna, by telegraph to Callao.

The iron-plated vessels and monitors of the Peruvian navy are still at Callao, but will be ready in a few days. Two of their wooden ships, Union and Pilcomayo, have left with extra crews on a secret mission.

I am, &c.,

RICHARD GIBBS.

No. 156.

Mr. Evarts to Mr. Christiancy.

No. 4.] DEPARTMENT OF STATE,
Washington, April 9, 1879.

SIR: Mr. Gibbs's dispatch No. 317, in relation to the approaching conflict between Chili and Bolivia and the attitude of Peru with respect thereto, has been read with interest. No explanation was necessary on Mr. Gibbs's part for advising the Department of whatever might come to his knowledge respecting the warlike situation of the neighboring republics, even though that to which he was accredited was not an actual party to the dispute.

The position of Peru in relation to the struggle now reported as having been inaugurated is one of considerable interest. The latest news represents that the Peruvian Government has decided to maintain an attitude of strict neutrality. It is sincerely hoped that this decision will be successfully observed, for, besides restricting the arena of the deplorable strife between peoples of one blood, the pacific course of Peru makes her a notable example, and it may be a directly potential agent in the interest of the speedy restoration of peace, so earnestly to be hoped for.

I am, &c.,

WM. M. EVARTS.

No. 157.

Mr. Christiancy to Mr. Evarts.

No. 6.] LEGATION OF THE UNITED STATES,
Lima, Peru, April 29, 1879. (Received May 27.)

SIR: For your information as to the causes and objects of the existing war between Chili and Peru, I transmit herewith certain papers bearing upon the question.

No important intelligence in reference to the military operations has been received since my former dispatches.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 6.—Translation.]

THE ALLIANCE WITH BOLIVIA.

[South Pacific Times, Saturday, April 26, 1879.]

The following decree has been issued:

Mariano I. Prado, President of the Republic, considering:

First. That by the treaty of the 6th of February, 1873, the Republics of Peru and Bolivia are solemnly bound to mutually guarantee one another their independence and sovereignty, and also the integrity of their respective territories.

Secondly. hat the insult offered by Chili to Bolivia by the occupation of the 23d

and 24th degrees of that country's sea-coast, under the pretense of revindicating their own, is equivalent to an attack on the said rights of Bolivia, and is expressly pointed out in the first portion of the second article of the treaty referred to as the chief and principal cause why the alliance should come into force.

Thirdly. That the envoy extraordinary and minister plenipotentiary of Bolivia, on a special mission, has requested, by order of his government, the declaration of the *casus fœderis*, and the consequent bringing into effect of the said treaty; and that Peru has endeavored by every conciliatory measure possible to keep the peace between the republics in question, first interposing her good offices and afterwards offering her mediation in due form, whose only result has been the declaration of war made by the Government of Chili against Peru:

I decree—

The Republic of Peru decrees the *casus fœderis* mentioned in the treaty of the 6th of February, 1873, with Bolivia has arrived; and consequently the time has come when the alliance must come into effect and all its stipulations.

The respective ministers of state are encharged with the issuing of the necessary orders for the faithful and exact fulfillment of this decree, and of making it known and published.

Given in the Government House of Lima this 6th day of April, 1879.

MARIANO I. PRADO.

MANUEL IRIGOYEN.

[Inclosure 2 in No. 6.]

Note from the Chilian Government to the Peruvian minister, granting him his passport.

MINISTRY OF FOREIGN AFFAIRS,
Santiago, April 2, 1879.

SIR: The reply given to the Chilian envoy in Lima a few days ago by your government, that it could not observe neutrality in our present conflict with Bolivia because there existed a treaty of defensive alliance between them—which is the same that you read to me in the conference held on the 31st ultimo—has forced this government to the conclusion that it is impossible to maintain friendly relations with Peru.

Considering the assurance you gave me in the first conference we held on the 17th ultimo, in reply to my interrogation whether such treaty existed or no, that you had no knowledge of it; that you believed it had no existence, and that it could not have been approved by the Peruvian Congress of 1873 (when it was said to have been approved), and much less in the succeeding years, when you formed part of the diplomatic commission; considering this assurance, I repeat, my government sees that yours, as well as yourself, in denying this treaty, have placed yourselves in an exceedingly irregular position.

My government is surprised to learn that that of Peru projected and signed that treaty at the time that it professed sentiments of cordial friendship towards Chili.

To this secret transaction, in which the strictest reserve was stipulated, the Government of Chili replies with the fullest frankness, declaring that its relations with that of Peru are broken, and that it considers it belligerent, in virtue of the authority to that effect received to-day from the high authorities of the state.

In forwarding you your passports, I have to assure you that the proper orders have been issued, in order that you and the *personnel* of the permanent legation of Peru may receive all due consideration and facility in returning to your country.

With sentiments of distinguished consideration, &c.,

ALEJANDRO FIERRO.

[Inclosure 3 in No. 6.]

OPENING OF CONGRESS.

Message of the President of the republic.

Shortly after two o'clock on the afternoon of the 24th, Congress was formally opened.

The following is a translation of the message of his excellency the President of the republic to the special Congress of 1879.

Honorable Representatives:

At a time when the sentiment of confraternity seemed to be most deeply rooted in the heart of America, the fruit not only of the identity of origin of its nations, and of

the glorious traditions which form their modern history, but also the offspring of mutual convenience, very grave and important events, brought about most abruptly by the Chilian Government, have startled our repose.

After the unanimous cry of indignation uttered throughout the entire continent, when the agents of the Spanish Government attempted to revive the deeds of the time of its famous conquests, after the outburst of brotherly feeling which united all the South American republics to one another to protest solemnly against acts odious to all laws which civilized nations have laid down as rules of government, it appeared impossible that those very nations should have recourse to arms without previously employing all rational methods of conciliation, without observing the forms which give to war the character of legality, of which the violent aggressions and the hostilities commenced before the enemy, is either notified or prepared to repulse them, are destitute. Such a course of conduct which outrages the precepts of morality by which governments should be guided, and ruins nations by exciting in their midst, under a cloak of patriotism, passionate feelings of hate and vengeance not certainly in accordance with modern civilization nor with the respect ever due to any people, whatever their class and status, nor is it such as should be adopted by generous nations who confine their destinies to the manifest justice of their cause rather than to the employment of brute force.

Peru and her government were rejoicing the more to see the nations of this continent cementing closer, day by day, the bonds by which they are united by nature, since she observed the willingness with which they all received and realized the idea of assimilating their laws, with the object of giving unity and conformity to their interests, moral as well as material; and doing away with unimportant matters the odious distinction born of the word "foreign," a word which should be banished from amongst the citizens of South America. To these useful and important labors would doubtless have succeeded others, tending to produce in as great a degree as the peculiar conditions of each State would permit of, the same benfits that were looked for from the unity of the principles of internal law.

Peru has so far entertained these laudable desires that, whenever she has had cause to fear the least interruption taking place in the peaceful relations of the other republics, she has hastened to interpose her good offices towards advocating the maintenance of peace and the adoption of whatever measures that were conducive to that end.

The Peruvian Government has always possessed the profound conviction that the disasters which a state of war brings on in all the nations of the universe, and especially in those newly formed, which need to employ all their vigor, means, and activity in consolidating their institutions and in acquiring that moral force which places nations in the first rank of their fellows, giving them *prestige* and glory, can alone be acceptable when the independence of States is menaced or their dearest interests involved.

If unfortunately the heroic deeds of the days of independence, and after them the different principles which have been the cause of political events more or less turbulent, have delayed the prosecution of those ideas, there exists without doubt an inexplicable virility which, when exercised in the cause of peace, opens the door to the development of all the elements of rational prosperity.

The actual contest between Bolivia, Peru, and Chili, the preconceived work of the cabinet of Santiago, has not failed, therefore, to affect most deeply the minds of the nations of this continent; and all the more so, since all nations, with that providential intuition with which they are gifted, see, or rather feel, that the occupation of Bolivian territory by Chilian forces is a positive usurpation, taking into consideration the attendant circumstances, and is an act of a nature opposed and repugnant to the commonest dogmas of law and justice, and also that the war declared against Peru, on account of suppositions more or less whimsical, has not in its favor a single argument to support it.

In truth, neither the ostensible reason of the measures taken, nor the questions at issue, authorized an attack which is as unjustifiable as it is odious.

To revindicate one's right to territory which has always been in possession of another country, and recognized as such by solemn treaties, has no other meaning than the setting about a conquest, taking advantage of the debility of the offended country. The abrupt and motiveless declaration of war against Peru is nothing less than a preconceived plan, whose aim is to take possession of a long-coveted piece of territory.

The conflict arisen so suddenly between the Republics of Bolivia and Chili gave rise to the necessity of convoking you to special sessions, in order that, duly appreciating the importance of the causes which induce the same and the tendencies they display, you may determine upon the line of conduct which the government should pursue under such difficult circumstances; and, taking in the true situation in which we are placed, that you may adopt such measures as you may deem convenient.

Meanwhile, without the remotest imagination that a declaration of war would be the reply to our generous mediation for the maintenance of peace between the con-

tending parties, the government, interpreting the sentiments of the country as expressed in all classes of society, and ardently desirous of preventing a bloody strife between two sister republics, hastened to put its good offices at the disposition of the cabinet of Santiago; our chargé d'affaires having attained a promise from the President of the republic that no definite steps would be taken without his knowledge.

Notwithstanding this, the Chilian Government caused its military forces to occupy the port of Antofagasta, dislodging the Bolivian authorities and hoisting their own flag over its buildings, with the intent to "revindicate" that territory.

The Chilian press, revealing the hidden views of the government, allowed it to be understood from the very first that the occupation of Antofagasta was the preliminary step to making war against Peru. The violence of their warlike proceedings; the secrecy observed with our chargé d'affaires, notwithstanding the promise to hide none of their proceedings from him; the frequent and offensive manifestations of the popular assemblies, tolerated in spite of the good relations then existing between the two countries; the numerous forces sent to Antofagasta; the concentration of the Chilian squadron in that port, and the works of fortification commenced there, allowed it to be clearly seen that the operations were in reality directed against Peru, since the hostilities with Bolivia, a country not possessing a navy, did not call for the necessity of maintaining a fleet and army in Antofagasta, nor for the erection of harbor fortifications there.

Notwithstanding the significance of all these proceedings, the Peruvian Government, with a lively interest in the maintenance of peace between the South American Republics, and faithful to its traditions, again offered its mediation and appointed a minister plenipotentiary near the cabinet of Santiago, in order that the two republics, yielding their mutual pretensions, might submit the settlement of their differences to arbitration, in accordance with the terms of the treaty entered into between them in 1874. The negotiations, undertaken in the best faith by our plenipotentiary, Don José Antonio Lavalle, far from persuading the Chilian Government to desist from its views, caused it to abruptly break off its relations with us, under various frivolous pretexts, to declare against us a war completely unjustifiable from all points of view, and to set about immediately instituting every species of hostilities, blockading, bombarding, and burning our defenseless ports in the south.

Our military preparations, the dispatching of Peruvian troops to the department of Tarapacá, and the existence of a secret treaty of defensive alliance, are the motives which have contributed to apparently make Chili doubt our desires for peace, and to cause her to look upon us as belligerents in her quarrel with Bolivia.

The falseness and inefficiency of such motives are apparent to all. Immediately upon difficulties arising between Chili and the Argentine provinces, my government, faithful to the duties which the love of peace and the desire for the progress and prosperity of the South American nations impose upon it, proffered its good services, in order that both countries should settle their dispute in an amicable manner, and avoid the misfortunes attendant upon a war, and having acted in the same way as soon as it knew of the question with Bolivia, Chili could not doubt our good faith, and still less so, since I myself, then a friend of Chili—I, who, in my public or private capacity, have never practiced duplicity either with men or nations—had the honor of being at the head of the Government of Peru, directing the diplomatic negotiations.

The illegal act of Chili in invading Bolivia, and taking possession of territory which did not belong to her, and the accumulation of war materials on a large scale in Antofagasta, suggested the entertainment of hostile views against Peru, and prudence counseled us to put ourselves in a position to defend, if necessary, the honor of the nation and the integrity of its territory. This circumstance satisfactorily explains our military preparations and the forwarding of troops to the southern frontier. An armed neutrality has never been a cause of offense to other nations at war with one another. The treaty of defensive alliance entered into with the Republic of Bolivia could have been no motive for supposing that the Government of Peru was acting with bad faith towards Chili; since that treaty, which might well have been subscribed to by Chili herself, and whose sole object is to assure the independence, sovereignty, and integrity of the territories of the contracting parties, impose upon Peru the obligation of employing with preference, when feasible, every conciliatory measure possible in order to avoid a rupture or prevent a war, should the rupture have taken place, holding as the most effective of those measures the arbitration of a third power. In fact, the treaty itself, which does not call upon the ally to declare war, justified the good offices of Peru, and was a guarantee for the good faith of her irreproachable conduct.

Notwithstanding the instances of the plenipotentiaries of Bolivia, my government, faithfully fulfilling the duties which the character of mediator imposed upon it, flatly refused, not only to bring the treaty into effect, but also to supply the arms and other aid which Bolivia asked of it.

Neither the military preparations which prudence dictated, nor the movements of troops called for amongst other reasons, by the peculiar conditions of the department of Tarapacá; nor the treaty of defensive alliance, whose existence, if it remained offi-

cially secret in accordance with one of its stipulations, was not unknown to the plenipotentiary Señor Godoy, nor to the members of the Chilian Government; not one of these circumstances, or all of them combined, are sufficient to excuse the conduct of that nation, nor justify the violent and illegal aggression which has broken off at one blow the relations existing between nations who have fraternally shared together the benefits of peace, the calamities of war, and the luster of glory.

The Republic of Chili has declared war against us because the Government of Peru endeavored to prevent that which had arisen between that country and Bolivia; and Peru has accepted it with the high and generous enthusiasm which characterizes her on great occasions; with the enthusiasm inspired by justice, the precursor of victory.

The doing away with the old territorial boundaries, in obedience to interested and avaricious motives, is a pretension bordering upon impossibility, because neither Peru nor the other South America States could consent to it without compromising the integrity of their respective territories; and the force of this consideration manifests clearly that the war declared against us is devoid of political or social motives which can be adduced in its support.

Since the efforts for the preservation of peace have proved fruitless; since Chili, who has taken up arms with the sole intent to attack us, going so far as to offer her material and moral aid to the Bolivian commanders in case they should attempt to take possession of the old department of Moquegua; since Chili, I repeat, is satisfied with nothing but war with Peru; since, giving the lie to her boasted good sense, she has madly thrown herself into the fields of battle, Peru will also march to them, as suits her offended dignity and the valor of her army and navy.

It was sufficient that Chili should proclaim the war, in order that Peru should rise as one man to place at the disposal of the government the lives and fortunes of her sons. Peru is presenting to all civilized nations the most beautiful and touching spectacle of patriotism. If the treasury was empty, her citizens have striven for the honor of refilling it; if the army and navy were reduced to the limits which the law assigns for a state of peace, to-day all are soldiers, ready to sacrifice themselves on the altar of their country. Peru, face to face with her gratuitous enemy, will avenge the insult so treacherously offered her.

Legislators: I convoke you to special sessions in order that you may decide upon the conduct which it would have been the duty of the government to observe in view of the war between Bolivia and Chili, but unlooked for events have happened, which simplify your mission. We are at war with Chili, and it is your duty to dictate the measures which you may deem best in order to assure the triumph of our arms, jointly with the honor and glory of the country.

May Divine Providence assist you in your deliberations.

The sessions of the special Congress of 1879 are now declared opened.

MARIANO I. PRADO.

LIMA, *April* 24, 1879.

[Inclosure 4 in No. 6.]

Reply of his excellency the President of the Congress, Dr. José Antonio Garcia y Garcia.

CITIZEN PRESIDENT: It is, perhaps, the first time that the representatives of the nation listen to the authorized voice of the head of the State, under the influence of feelings so opposed and so painful as those which in this solemn moment dominate their spirits.

The certain knowledge that, along with the entire country, the delegates in parliament possess of the premeditated conduct of Chili in her relations with Peru; the suspicion and astonishment which the accumulation of hasty and intemperate acts signalizing the policy of that country, in the continuous changes of great American interest, has not failed to awaken in their minds; and the indignation naturally begot in upright and high-principled minds by the deliberate transgressions of the rules which serve as law to States, and guarantee, consequently, the maintenance of justice as the common and necessary principle to guide their mutual relations—in a word, every one of the acts practiced, which, in the order of principles and deeds, has wounded the sentiment of national dignity and profaned the rigid dictates of law and reason, and whose authenticity and details you have proved with the clearest testimony in your important message, could not but call forth in the bosom of the legislative chambers the grievous and opposite sentiments of which I have made mention. Once that cruel strife lighted in our spirits, which the sacred fire of patriotism fans, it is doubtless, Citizen President, that it would lead us to the greatest extremes in repressing and punishing such unheard-of crimes were another moral influence to predominate in the national Congress other than that which, until now, has served as a sure and certain guide to the government, and which inspires in the entire nation the

highest sentiments. But it is not so, most excellent sir; in the legislative body, as in the government and the people, the sentiment of justice and their own dignity, the knowledge of their duty, the sacred respect for the rights of others, and an absolute confidence in their power to chastise all rash aggression, as well as the outrageous offenses to the beloved flag of our country, happily rise superior to the bursts of anger and the impatient feeling which, far from denoting strength and reason, betrays debility or pitiful irregularities.

The calm, correct, and dignified exposition which you have given of the historical antecedents of the unjustifiable, and, therefore, ignominious war which Chili has declared against Peru, will allow the national assembly to duly appreciate by the light of same, and with the aid of the papers which the minister of foreign affairs will in due time lay before it, the prevision, the correct judgment, and the patriotic zeal displayed by the executive, as well in the praiseworthy end to avoid the disasters of a war between sister nations and allies of Peru, as to maintain with proper splendor the principle of good confraternity as the indissoluble link of happy union between the republican States of the New World.

The same notable document will, I am convinced, convey to the mind of the entire nation, and to the governments not affected by these events, the intimate persuasion that if the efforts of Peru to maintain the peace between Bolivia and Chili have not alone been of no avail, but, what is truly surprising, have been replied to by the most offensive and senseless threats, the work of evil is the exclusive work of Chili and the result of the long-cherished and iniquitous plan to disturb the repose and sully the splendor, not of Bolivia, but of Peru alone, the country which the hand of Providence has seen fit to shower its favors upon, and the growing development of whose riches, knowledge, power, and legitimate influence in the continent of South America Chili has ever desired and to-day strives to arrest.

Profoundly true are your words, Citizen President, when you state that Peru is offering a most beautiful and touching spectacle to all civilized nations; for, in reality, most excellent sir, there is nothing greater, more beautiful, or sublime than the resolution and energy with which the Peruvian nation, without excepting the last of her sons, has risen as one man, full of ardor and vigor, to assist the public authorities with their lives and fortunes in the glorious task of saving the honor and dignity of the republic in the fratricidal war to which Chili has provoked her.

In this redeeming work, in this most noble and patriotic labor, the legislative body, I can declare in their name, most excellent sir, will know how to rise to the height of their mission. Your suggestions, your proposals, the initiative of the government in one word, as also that of the representatives in all relating to the defense of the country and the triumph of her arms, will find in these chambers a ready acceptance and the solution most favorable to the well-defined interests of our cause.

Peru, who has fulfilled a noble and disinterested duty towards the people of Bolivia without being wanting in the considerations due to Chili, will also comply with, to her own honor and glory, the obligation which she has imposed upon herself of triumphing. Divine Providence, whose aid we invoke with you, Citizen President, ever concedes the victory to the cause of justice, which is manifestly our own cause; we shall conquer, therefore, because our triumph as a necessary law of moral order is plainly the will of that Providence.

No. 158.

Mr. Christiancy to Mr. Evarts.

No. 7.] LEGATION OF THE UNITED STATES,
Lima, Peru, April 29, 1879. (Received May 27.)

SIR: On the 26th instant I signed with the British, French, and Italian ministers, and the German chargé d'affaires, a document addressed to the officer in command of the Chilian fleet on the Peruvian coast, of which I inclose you a copy.

The document as at first drawn up and presented to me assumed the truth of the reports contained in the newspapers, in reference to the action of the fleet, and the British minister assured me that the official information he had from the British consuls at the various places along the coast fully justified the statements referred to in the document. But as I had no official information, except from our consul at Iquique,

which exhibited the transactions there in a somewhat less flagrant light, I declined to join in the document, unless so altered as not to assume or assert the truth of the statements referred to, believing it to be in the interest of humanity, as well as for the interest of our own citizens along the coast who are the great sufferers by the war. And it seemed to me to be wise as a precautionary measure to put our citizens in as favorable a position as possible to claim damages for any violation of neutral rights.

The truth is, that most of the damages done and likely to be done along the coast in this war will fall upon neutrals, much the larger share of the heavy business in the coast towns being carried on by foreigners. And no nation, as it seems to me, is more interested than our own in maintaining a high standard of neutral rights.

I am responsible for the assertion in this document of the principle of declaring the duty of belligerents towards neutrals, it having been suggested by me and readily approved by all the other ministers signing the document.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure in No. 7.]

The ministers of France, United States, England, Italy, and Germany to Rear-Admiral Williams Rebolledo, commander-in-chief of the Chilian squadron.

ADMIRAL: The undersigned, though desirous of preserving the strictest neutrality in the war now being carried on between Chili and Peru, consider it also their bounden duty to protect, as far as possible, the interests of the subjects and citizens of their respective countries.

The undersigned are perfectly aware that neutrals residing in a belligerent country must, to a certain extent, submit to many risks similar to those sustained by the natives; but they cannot admit that a belligerent has any right wantonly to destroy the property of neutrals, or to put them in peril of their lives.

The undersigned would remind your excellency that it is a principle of modern warfare not to destroy unfortified commercial towns, nor to fire into any peaceful community, without affording neutrals and non-combatants the time necessary to withdraw not only themselves but their personal property out of reach of the fire of the attacking belligerent.

Should this principle be or have been neglected, the undersigned may add that their respective governments will be entitled to hold the Government of Chili responsible for all losses to which their subjects or citizens may have been subjected.

According to the information we have received, but without wishing to decide as to the exact facts, it would appear that the commander of the Chilian iron-clad, the Admiral Cochrane, in reply to some rifle-shots discharged upon his boats, which were engaged in destroying the property of the inhabitants, suddenly opened fire with shot and shell on the large commercial town of Mollendo, inhabited by thousands of unoffending people, both foreign and Peruvian.

In Pisagua the course pursued is stated to have been even more regrettable, as, after a skirmish between the Chilian boats engaged in destroying trading launches, and the soldiers on the beach, the Chilian squadron opened fire upon this purely commercial town without any previous notice, and did not cease firing until nine-tenths of the houses were laid in ashes, with immense loss to neutrals, as at least two-thirds of this loss will fall on foreigners.

It will be the painful duty of the undersigned to draw the attention of their respective governments to these bombardments of unfortified commercial towns, and to the heavy losses thus unnecessarily inflicted on neutrals.

They consider also that they are but fulfilling a distinct duty in thus drawing your excellency's attention to the opinion they have formed of the proceedings of the Chilian squadron in Mollendo and Pisagua, and in a lesser degree at Iquique.

Accept, admiral, the assurance of our high consideration.

(Signed by the ministers of France, United States, England, Italy, and Germany.)

No. 159.

Mr. Christiancy to Mr. Evarts.

No. 13.] LEGATION OF THE UNITED STATES,
Lima, Peru, May 12, 1879. (Received June 9.)

SIR: I have the honor to acknowledge the receipt of your dispatch to me (No. 145, series of dispatches to my predecessor) in reply to that of Mr. Gibbs, No. 317.

You will have seen by the dispatch of Mr. Gibbs of April 2, No. 326, as well as mine since that time, that prior to the date of your dispatch Peru had become a party to the war, Chili having declared war against Peru.

On looking over the dispatches of my predecessor I find that he had given you a very correct and clear statement of the causes which led to the war. But aside from and back of all avowed causes of hostility between Chili and Peru, it is not difficult to discover a bitter prejudice and traditional animosity, originating with the conquest of Peru and Chili between the Pizzaros and the Almagros, a feud which resulted in the mutual extermination of both these families of butcher "conquistadores," the retributive justice of which result will be equally accepted by the verdict of history, whether attributed to the working out of natural laws or to the dispensation of Providence, but the beneficence of which, to the present limited scope of human vision, would have been more apparent had it been accomplished before these monsters had been permitted to land on the shores of the new world to extinguish a civilization more humane than their own, and to destroy (at least in Peru) useful improvements which the conquering race have never been able to equal or replace. (Pardon this long digression, which perhaps may be improper here, and strike it out.)

But little progress has been made in the prosecution of the war since my former dispatches, except in the raising of troops, which goes vigorously on. Chili thus far appears to have command of the sea, and it is the opinion of Rear-Admiral Rodgers, and seems to be the general opinion, that the Peruvian fleet is not able to meet it with a fair chance of success.

The Chilian fleet has completely put an end to the shipping of guano and nitrates, both held as government monopolies until now, and worked by neutrals on government account, the proceeds of which constituted the principal source of public revenue.

The same fleet has bombarded some of the small towns along the southern coast, and established a blockade, which, however, is not kept up by the presence of an adequate force. They have also cut the cable, first at Iquique, and a few days past at Arica; and now, as the papers report, prohibited the sending of messages in cipher by the cable over which they have control by any parties but the officers of their government.

Many of the operations of the Chilian fleet have probably been carried on, in part at least, for the purpose of provoking the Peruvian fleet to come out from the harbor of Callao and meet them on the open sea, away from the protection of the powerful forts and batteries by which this port is protected.

The Peruvians have been constantly repairing, strengthening, and fitting out their fleet, and there are now some indications of their undertaking some enterprise at sea.

While matters remain in their present condition upon the water there

is very great difficulty in bringing the opposing land armies near enough to each other to inflict any injury upon either. The desert of Atacama separates them, and it is very difficult, if not impossible, to transport an army or its supplies across it. This difficulty, while the Chilians dominate the sea, operates most injuriously upon Peru and Bolivia; as from the nature of the country between the Andes and the sea, and that in the interior among or between the two ranges of Andes the march of armies and the transportation of supplies are necessarily tedious.

The great need of Peru, especially, seems to be fast-sailing steam transports to carry her land forces, now concentrated here and at Callao, to the seat of war without being liable to be captured by the Chilian fleet. To supply this need Peru has recently purchased from the Pacific Steam Navigation Company the steamers Cosmo and Oroya, and there are indications that one (if not both) of them is preparing for leaving port.

In the meantime the delay in taking the offensive and making their army actively efficient seems to have produced a feeling of impatience and charges of incapacity against the Peruvian Government much like those which prevailed in our own war just previous to the battle of Bull Run; and the government will be compelled soon to make a forward movement of some kind or lose the confidence of the people, the great masses of whom are ignorant and impulsive, and easily lead by demagogues or ambitious aspirants into any revolutionary movement, and Pierola, the champion and favorite of the Church party, is probably ready to avail himself of the first favorable occasion to seize the government. If the present government should meet with any great reverse, or even if it should remain much longer without striking some effectual blow, I should not be disappointed to see a violent and sudden change in the government, and Pierola at its head—a change which I fear would be unfortunate for Peru—but they must be allowed to test the experiment for themselves, if they see fit.

In the mean time the effect of the war upon the finances has been most disastrous. Government paper, which is practically the only currency known here, and had sunk to less than 50 per cent. of its nominal value before the war, has been sinking very rapidly since. The greatest reliance for its redemption was upon the guano and nitrates, and these being cut off at the same time that immense expenditures are called for for the support of the war, it is difficult to find methods of keeping up the public credit or supporting the operations of war.

The citizens have in great numbers enthusiastically tendered a large proportion of their wealth to support the war. But help from this source will be but temporary or not in sufficient amount, though the war is popular with all classes.

The plan which seems just now most likely to be adopted by the government is that of issuing 8,000,000 of paper soles, in addition to the 17,000,000 already out.

Under the influence of all these causes the paper sole (whose nominal value was equal to five francs in silver) had, when I arrived here a month since, so far depreciated that it was worth slightly less than 20 pence in exchange on London, which consisted of drafts at 90 days sight, equal to 120 days date, and to-day the paper sole is worth in that kind of exchange only 16 pence, and even a little less. The American double eagle will, for limited amounts of a few thousand dollars, to-day purchase from 58 to 60 soles paper.

The effect upon neutral shipping, especially that engaged in the shipment of the guano and nitrates, has been still more disastrous, nothing short of ruinous. The whole business is utterly destroyed. The loss

falls heaviest, it is true, upon British ship-owners, most of these products being shipped to that country; but a large number of American ship-owners were engaged in the same trade, under charter-parties taken from an English company, describing themselves as agents of the Peruvian Government, by which the owners were made to assume all the risks of war. Some of these had part of a cargo on board, some waiting to begin loading; but all compelled to leave, and the works destroyed.

The government seems to wish to act in entire good faith, and gives notice that all these vessels may abandon the contract with the government or wait till the government can open other deposits, which they are attempting to do; that any vessel partly loaded may proceed to deliver at the port of destination in England what it has on board, or put it on any other vessel for that purpose, &c.; or it may abandon the contract.

Neutral commerce in every form along this coast is suffering severely, and most of the business employing much capital is carried on by neutrals. In short, neutrals are losing more heavily by this war than citizens of any of the belligerents, because they had much to lose and the belligerents very little.

The Government of Peru is doing all it can to encourage neutral commerce. Some days since a prominent member of Congress introduced a measure to prohibit all vessels touching at Chilian ports from landing in Peruvian ports and all touching at Peruvian ports from proceeding to Chili. But the British and French and the Italian ministers and myself contrived, in an informal manner, to suggest that such a measure would conflict with the 18th article of our treaty, and like provisions of the French and Italian treaties, and even with the British, which under a peculiar "favored-nation" clause, gave the same rights as ours. The measure contemplated (by the member) has not been pushed. The government never favored it, and now an act has just been passed by Congress and approved and promulgated by the executive, May 9, which throws open the coasting trade of Peru to foreign vessels on the same terms as allowed to the vessels of Peru, until otherwise ordered by Congress. There is one ground of apprehension felt here, both by Peruvians and neutrals, which probably would not exist anywhere outside of these South American republics, which do not place so much confidence in the public faith of each other as is common in other countries. Peru was drawn into this war in consequence of her treaty with Bolivia, and because the latter when attacked by Chili claimed of Peru the fulfillment of her treaty stipulations. But now a strong and very plausible appeal is made by Chili to induce Bolivia to abandon Peru and join Chili against her, on the ground that it will be more advantageous to Bolivia to despoil Peru of her southern ports, and obtain them, with the rich deposits of guano and nitrate, than to remain as she is. And it cannot be concealed that the more intelligent portion of the people of Peru, and I am inclined to think the government itself, have serious apprehensions least these considerations should prevail with Bolivia.

I send several dispatches by this mail which were ready las week, but which, owing to connections at the Isthmus between the weekly mail on the Pacific with the tri-monthly mails on the Atlantic side, would not have reached New York earlier than by the mail of the 15th instant.

May 13, 1879. Since writing the above the lower house of Congress has, by a decisive vote, rejected the proposition to issue more government paper, and seems now disposed to resort to a loan for $15,000,000, $8,000,000 of which to be applied to the redemption of government currency now outstanding and the balance to meet war expenses.

The two houses have also just resolved, by a vote of 77 to 44, to put on only 2 per cent. *ad valorem* export duty on sugar, and by an absolute majority reject the plan recommended by the Executive for increasing all custom-house duties 25 per cent.

Accept, &c.,

I. P. CHRISTIANCY.

No. 160.

Mr. Tracy to Mr. Evarts.

[Translation.]

LEGATION OF PERU,
Washington, May 15, 1879. (Received May 16.)

SIR: It affords me pleasure to inclose a copy of the treaty* of defensive alliance between Peru and Bolivia, in accordance with the promise made to your excellency at our interview this morning.

I also beg leave to hand you a part of the "Peruano" (the official journal of Peru) of 4th April last, which contains the principal communications that passed between the ex-minister of Chili at Lima, Señor Godoy, and our minister of foreign affairs, Señor Irigoyen, and a note from the latter to Señor Lavalle, Peruvian minister to Chili, all written on the eve of the declaration of war, made in behalf of his government by Señor Godoy, on the 3d of April last. I likewise inclose slips from a newspaper published in English, containing translations of the Peru-Bolivian treaty, and of Señor Irigoyen's reply to Señor Godoy's note declaring the interruption of friendly relations between Chili and Peru and demanding his passports. These translations, although they might be improved, are substantially correct.

The accompanying documents prove that notwithstanding Peru has in good faith done all in her power to avoid this unhappy conflict, the government has finally been forced to accept the challenge of Chili; and, whilst most truly deploring the non-success of her loyal efforts to preserve friendly relations with the people of Chili, and to prevent a war between three republics, called for many reasons to live in perfect harmony, she feels convinced that the civilized nations of the world will properly appreciate her position and agree that Peru finds herself engaged in this quarrel solely because her policy has consisted in keeping guard over the maintenance of those fundamental principles of American law that have been openly disregarded by the Government of Chili.

I avail myself, &c.,

JOSÉ CARLOS TRACY.

No. 161.

Mr. Christiancy to Mr. Evarts.

No. 16.] LEGATION OF THE UNITED STATES,
Lima, Peru, May 21, 1879. (Received June 16.)

SIR: I have the honor to inform you that since my last dispatch in reference to the progress of the war, the constitutional President, Gen.

* For treaty of defensive alliance between Peru and Bolivia of February 6, 1873, see inclosure to Mr. Osborn's dispatch No. 98, dated May 10, 1879, Document 59.

Mariano Ignacio Prado, in pursuance of the consent of congress thereto given, has taken the chief command of the Peruvian army and navy, and on the 16th instant left Callao with the first (of the three) division of the Peruvian fleet, composed of the Huascar, Independencia (iron-clads), and the steam transports Oroya, Chalaco, and Limeña, the three latter carrying a portion of the Peruvian army, the numbers not stated to the public. They sailed south with the intention, as is generally supposed, of landing at Arica and forming a junction with the Bolivian army. They were heard from yesterday at Mollendo by dispatch from that place, and by this time, unless prevented by the Chilian fleet (which by last accounts was part at Antofagasta and part at Iquique), must have arrived at Arica.

In consequence of the President having taken the command in person of the army and navy, General Luis de la Puerta, the first vice-president, has, in pursuance of the constitution, become the President *ad interim* of the republic, and has entered upon the duties of his office, upon which, as is usual in such cases, the members of the old cabinet put their commissions at his disposal, and he has in part completed his cabinet as follows:

General Manuel de Mendiburn, minister of war and navy, and president of the cabinet.

Dr. Don Rafael Velarde, minister of the interior, police, and public works.

Don Rafael de Yzcue, minister of commerce and finance.

Don M. Felipe Paz-Soldan, minister of justice, religion, public instruction, and charity.

To this latter office are also for the present, and until an appointment shall be made, committed the duties of minister for foreign relations. All these appointments seem to be well sustained by public opinion, and the several gentlemen are generally believed to be honest as well as capable men.

With the highest esteem, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 16.—Translation.]

Mr. Yrigoyen to Mr. Christiancy.

LIMA, *May* 17, 1879.

SIR: I have the honor to communicate to your excellency that by a supreme decree of this date his excellency the President of the republic, and using the authorization given him by congress, has assumed the command of the army and navy as its general-in-chief, and that the first vice-president, Gl. Don Luis la Puerta, has taken charge of the Presidency in accordance with the constitution. I take advantage of this occasion, &c.,

M. YRIGOYEN.

[Inclosure 2 in No. 16.—Translation.]

Mr. Paz-Soldan to Mr. Christiancy.

LIMA, *May* 20, 1879.

SIR: I have the honor to communicate to your excellency that his excellency, first vice-president of the republic in charge of the executive power, has accepted the resignation tendered by the members of the cabinet, and that with yesterday's date he has organized a new cabinet, as follows:

Minister of war and marine and president of the council, Gl. Manuel de Mendiburn.
Minister of government police and public works, D. D. Rafael Velarde.
Of finances and commerce, D. Rafael de Yzcue.

Of justice, religion public instruction, and beneficence, the undersigned, being likewise in charge of the department of foreign affairs, whilst his excellency names the one who is to take the office.

In communicating to your excellency the organization of the new cabinet, it is satisfactory to say that in the short time I shall remain at the head of this department it will be highly satisfactory to me to contribute to the maintenance of the good relations that happily exist between the government of Peru and that of the United Sates, at the same time facilitating your excellency in the discharge of your important mission.

I take advantage, &c.,

M. FELIPE PAZ-SOLDAN.

[Inclosure 3 in No. 16.]

Mr. Christiancy to Mr. Paz-Soldan.

LEGATION OF THE UNITED STATES,
Lima, Peru, May 22, 1879.

MONSIEUR LE MINISTRE: I have the honor to acknowledge the receipt of your note of the 20th instant, announcing the formation of the new cabinet under the Presidency of his excellency General Don Luis la Puerta, so far as the same had then been completed, of which I have duly made a record in this legation.

I tender to you, and through you to the other members of the council, my most hearty wishes for the success of each and all in the administration of the respective and responsible duties to which you and they have been called.

Please accept, &c.,

I. P. CHRISTIANCY.

[Inclosure 4 in No. 16.—Translation.]

Mr. Yrigoyen to Mr. Christiancy.

LIMA, *May* 23, 1879.

SIR: I have the honor to communicate to your excellency that having received the high confidence of being newly called to the dispatch of the department of foreign affaire by his excellency the first vice-president of the republic in charge of the executive power, I have taken charge of the department since yesterday, when I took the oath required by law.

I have the pleasant assurance of having contributed in all within my power, during the time I have been in charge of this same portfolio, to keep very close and cordial the relations that happily exist between Peru and the United States.

To-day I can assure your excellency that I will work constantly to make those ties more intimate, not doubting that with that object your excellency will deign to offer me the efficient co-operation that you have always afforded me.

It is satisfactory to me to take advantage of this new occasion, &c.,

M. YRIGOYEN.

No. 162.

Mr. Christiancy to Mr. Evarts.

No. 18.] LEGATION OF THE UNITED STATES,
Lima, Peru, May 27, 1879. (Received June 16.)

SIR: Since my last dispatch of May 21 (No. 16), viz, on the morning of the 22d, the Chilian fleet (with the exception of the Esmeralda and Covadonga) appeared off the harbor of Callao and remained for several hours, when, without attempting anything, it sailed for the south, having, as is supposed, learned from some fishermen the previous departure of the first division of the Peruvian fleet (mentioned in my last). Their expedition to Callao had given the Peruvian fleet time to transport in safety a considerable part of their army here, with munitions and

supplies, to the towns along the southern coast of Peru—Mollendo, Pisagua, Arica, and Iquique—and also to transport a part of the Bolivian army from Arica as far as Pisagua, and to form a junction of the Peruvian with the Bolivian army.

Since that time, and while the Peruvian and Chilian fleet were mutually ignorant of the whereabouts of the other, it is reported here, and I think correctly, that the Huascar (Peruvian) attacked and sank the Chilian steam-corvette Esmeralda at or near Iquique; and the steam frigate Independencia, chasing the Chilian Covadonga, and when on the point of reaching her (on her flight for the shore), ran aground or upon a reef, from which it was found impossible to get her off, and she was abandoned and burnt or blown up by the Peruvians themselves.

This is a serious loss to Peru, but does not, in my estimation, overbalance the advantages gained by Peru in this expedition to the south. But this may yet depend much upon what the Huascar may have been able to accomplish before the arrival there of the Chilian fleet, and upon her success in avoiding the Chilian fleet. But, unless she waits too long, she will probably easily evade that fleet, as it is composed of very slow vessels; and some of the Peruvian transports which went south have returned without seeing the fleet.

The effect of the war upon the finances becomes every day more disastrous. Exchange on England is now quoted at 16 pence per sole, and an American double eagle is worth to-day 62 soles.

I inclose a copy of the act of the Peruvian congress passed for the purpose of providing ways and means by loan and taxes. This is taken from the South Pacific Times, but is translated with substantial accuracy.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure 1, No. 18.—South Pacific Times.—Translation.]

Luis La Puerta, first vice-president of the republic, in charge of the executive power.

Whereas the Congress of the Republic of Peru has given the following law:

ARTICLE 1. Let a national loan be effected for the sum of ten million soles in current money of the republic, at the figure of eighty per cent., and eight per cent. interest per annum, with ten per cent. accumulative amortization.

ART. 2. The service of this loan will be effected at the termination of every quarter, beginning with the quarter expiring on the 1st of October, 1879, and the amortization will be made by lot and at par.

ART. 3. The amortization and interest funds will be guaranteed by the product of the capitation and income taxes, and the tax on the exportation of sugar, sanctioned by the present special Congress, and will also, as a subsidiary guarantee, be assured by the product of such national property as may be of easy appropriation.

ART. 4. The sale of the national property subject to the service of this loan will be effected at public auction, and the payment must solely be made in bonds of the loan authorized by this law.

ART. 5. The loan must be effected within the peremptory term of forty-five days from the date of the publication of this law.

ART. 6. If, at the expiration of the said term of forty-five days, the subscriptions should not cover the full amount of the loan, the actual issue of notes shall be increased in the proportion of the sum wanting to complete the eight millions which the loan will produce.

ART. 7. Let the committee appointed by the law of the 27th January last be empowered to deliver to the executive, in notes of the new issue, the complement of the eight millions to which the preceding article refers, and also to effect the issue and the service of the loan in the proportion subscribed; to which end the funds appointed by this law for said service shall be handed over to them.

ART. 8. The sum of one million eight hundred thousand soles out of the funds for the service of the loan shall be set aside for the payment of amortization and interest

of the same loan, should it be entirely covered. If not, of this amount the necessary sum shall be applied to the service of the loan as far as covered, adding the remainder to the fund of amortization of the fiscal issue.

ART. 9. If the funds set aside by this law for the service of the loan should exceed one million eight hundred thousand soles, the administrating committee shall deliver the excess to the executive.

ART. 10. The two millions of soles in restamped notes, which the associated banks had in deposit for the exchange of the unstamped notes, and which the executive has been authorized to issue by the legislative resolution of the 13th instant, shall be considered as an integral part of the subsidiary issue authorized by this law, which in no case can exceed eight millions. Should the loan be effected in its entirety, the two last millions received will be used for the amortization of the two million of soles in notes referred to in the article.

Notify the executive, &c.

Given in the hall of sessions in Lima on the 17th day of May, 1879.

JOSÉ ANTONIO GARCIA Y GARCIA,
President of the Senate, &c.

Therefore, I order the same to be printed, published, and received as law.

Given in the house of government in Lima this 20th day of the month of May, 1879.

LUIS LA-PUERTA.

J. R. DE IZCUE.

No. 163.

Mr. Christiancy to Mr. Evarts.

No. 20.] LEGATION OF THE UNITED STATES,
Lima, Peru, June 2, 1879. (Received June 25.)

SIR: Though the matter does not strictly pertain to the business of *this* legation, I will take the liberty of calling your attention to the decree of President Daza of Bolivia, dated March 26th last, in reference to neutral vessels and privateers.

It strikes me that this decree, if carried into effect, might seriously conflict with our treaty with Bolivia,—articles 15, 16, and 17.

This decree was not published here until the 16th May, and did not come to my notice until several days after, nor until Mr. Pettis had left here for Bolivia. I presume it has already attracted his attention, but lest it might not, I have called his attention to it by letter.

I inclose a printed copy of the decree in Spanish, and a translation of the same into English.

Accept the assurance, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 20—Translation.]

[From the Lima La Patria, May, 16, 1879.]

DECREE OF PRESIDENT DAZA.

HILARION DAZA, President of the Republic of Bolivia, &c.:

Chili having inaugurated a war against Bolivia, and provoked this by means of a filibustering aggression, and by a violent occupation of our coast by an armed force, breaking two treaties of boundary of a permanent character, the time has arrived to organize maritime hostilities by all legitimate means of defense; to that end having the right and believing it necessary, the issuing of commissions to privateers against the ships sailing under the enemy's flag, against the goods belonging to Chilians, whether contraband of war or not, found under a neutral flag, and for the seizure and

confiscation of nitrates, guano, and products of Bolivian coast which are worked and exported, committing theft and piracy upon the national property, and this protected by the Chilian army.

DECREES.

The following regulations, to which must be subject the captains of privateer ships, with the commissions from the republic in actual war with Chili.

1. The Bolivian privateers are authorized to pursue and capture all Chilian vessels, whether men-of-war, merchantmen, or privateers, found on the high sea or in the waters or ports of the republic, or in the waters or ports of the enemy.

2. The privateers of the republic are prohibited from attacking or exercising any act of hostility in the ports or territorial waters of neutral nations, it being understood by territorial waters, those comprised within the reach of cannon at the lowest tide.

3. The privateers of the republic can seize the cargo of the Chilian merchant vessels, when these do not belong to a neutral, except in case that the goods that compose it are contraband of war destined to the enemy, these are always seizable. If a part of the cargo is contraband of war and the other is not, the first alone is seizable.

4. The privateers are by this authorized to detain and seize any neutral vessel which may carry to the enemy official despatches, or land forces, or sea forces, or seamen for the enemy's ships.

5. The privateers of the republic can capture all cargoes appertaining to Chilians, and found on board a neutral vessel, be it or not contraband of war.

6. Contraband of war is composed of the following articles: cannon, muskets, mortars, and arms of every description; also, every sort of ammunition, gun-carriages, powder, saltpeter, sulphur, military clothing, leather in stripes, saddles and bridles, tents, coal destined to the enemy's war-vessels or privateers, and in general all instruments or things destined for war purposes; amongst these, provisions, gold and silver coin, and correspondence addressed to the enemy, are likewise contraband of war. military contingents, and the individuals who belong to the enemy's service.

7. Also, all ships are seizable that cannot prove their neutrality. Likewise those that do not possess their principal papers, such as their sailing certificate, bills of lading of their cargo, or others showing the neutral property of this and of the vessel, and it will be declared a good prize, unless it is shown that these have been lost through an inevitable accident. All papers shown must be properly signed to be admitted.

8. The ships that may hoist a different flag from that of their real nationality, those who throw their papers into the sea, and those that oppose resistance, or endeavor to escape the privateers, will be considered as enemies.

9. The privateers of the republic are authorized to seize all vessels, without distinction of nationality, that carry on board the products exported from Mejillones, Antofagasta, and minerals from Caracoles, such as saltpetre, guano, silver or copper metals, when these cannot prove that they have been dispatched with the concurrence of the Bolivian authorities.

10. The declaration of good prize will be given by the tribunals established by the laws of the republic. If the prize cannot be brought before them, owing to the distance or other cause, the trial shall take place before the diplomatic or consular agents of the republic, in the ports of the friendly nations which may allow the sale of the prize. If the privateer should find it difficult, by reason of any extraordinary circumstances, to send the captured vessel to trial, he will use his discretion according to the circumstances, consulting his security, and preserving the justifying documents which he will opportunely deliver to the competent authority.

11. The privateers of the republic have, as such, the right of visitation which belongs to belligerents, and to exercise it they must comply with the following directions: They will display the national flag, firing a blank shot to stop the vessel which is to be visited, and to compel it to display its flag. If she should not do so, the privateer will proceed, as he thinks fit, to compel her.

12. If the merchant vessel should stop and fly its colors, the privateer captain will proceed to send the visit of recognizance, with the necessary precautions in order to be satisfied by the papers existing on board, of the nationality, nature of the ship, and its cargo, and whether it carries on a lawful commerce.

13. In all cases which result in showing that the vessel is seizable, the privatee will take an inventory of the cargo and all the effects which may be found on board he will keep the documents which prove the legitimacy of the prize, in order to present them to the respective tribunals.

14. If the visit results in showing that the vessel is not seizable, nor subject to be detained, and that the cargo is entirely neutral property, and that there is no contraband of war, he will give to the captain of the visited ship a certificate in which thes circumstances are to be stated, the captain retaining a duplicate of this document.

15. The vessels seized by the privateers of Bolivia, as well as the captured cargoes board of them, are free from all fiscal tariff in the ports of the republic.

16. The commander, officers, and crew of each privateer are under the protection and laws of the republic, and will be considered as citizens of Bolivia, having all the guarantees and rights annexed to the citizenship of Bolivia, though they be foreigners, through the mere act of fitting out and arming a vessel as privateer, or enlisting on board of it.

Given in the city of La Paz, on the 26th day of March, 1879.

HILARION DAZA.
EULOGIO D. MEDINA.

Countersigned:
The first officer,

DAMASO GUTIERREZ.

No. 164.

Mr. Evarts to Mr. Christiancy.

No. 20.] DEPARTMENT OF STATE,
Washington, June 18, 1879.

SIR: Your dispatch (No. 7) of the 29th of April last has been received. It relates to neutral rights and the rights of peaceable and unarmed citizens in bombarded towns. The general views upon these subjects which you express are approved, and you were judiciously cautious, before you joined your diplomatic colleagues in signing the protest which was addressed to the commander of the Chilian fleet, to require that paper to be so changed as to make the protest dependent upon the truth of the facts which originally was assumed. The prudence of this step is understood to have since been illustrated by the disclosure that the bombardment of at least one of the points named was by no means unprovoked, but was in retaliation for the firing upon boats of the Chilian squadron, which approached the port under a flag of truce, for the purpose of announcing the blockade. The firing upon a flag of truce is notoriously one of the gravest breaches of the laws of war which a belligerent can commit, and is held to justify severe measures of retaliation, such as were adopted in the instance adverted to.

Although the policy of this government has heretofore shown a leaning towards neutral rights, this has never been or intended to be such as to extinguish the just rights of belligerents, especially of comparatively weak powers. It is apprehended that the capitalists of great European states, who have heavy investments in the funds and in the trade of the South American countries, are so alarmed about their interests that they may not be indisposed to deny any belligerent rights to those countries in the war now unhappily on foot. Undoubtedly they endeavor to impress their views and their anxieties upon their governments at home. This department is not aware how these may have been received. It is hoped, however, that in deciding upon the subject, that no neutral will omit to bear in mind that an acknowledgment of the independence of the belligerents implies a concession to them of all the rights in that character which they may claim under the public law, however the exercise of those rights may infringe upon the interests of neutrals.

The war adverted to is much to be deplored, and, for the sake of humanity, at least, it is hoped that it may soon be brought to an honorable close. Although our own citizens have a much smaller interest in this than those of European countries, complaints upon the subject, especially from owners of vessels in the carrying trade, have reached this department. Hostilities in this case, however, are not likely to be soonest

ended, or peace to be permaneut, if neutrals show such impatience as they would not be likely to acquiesce in if the situation were to be reversed.

In regard to the law applicable to the bombardment of unfortified places, permit me to refer you to the opinion of Attorney-General Henry Stanbery, of the 31st of August, 1866, relative to the bombardment of Valparaiso by the Spaniards. A manuscript copy of the paper is herewith transmitted to provide for the contingency of your not having a printed one.

I am, &c.,

WM. M. EVARTS.

[Inclosure in Instruction No. 20.]

Mr. Stanbery to Mr. Seward.

ATTORNEY-GENERAL'S OFFICE,
August 31, 1866.

SIR: It appears from your letter of the 27th instant that the American commercial houses of Wheelwright & Co. and Loring & Co., domiciled for commercial purposes at Valparaiso, sustained losses of their merchandise in the conflagration caused by the bombardment of that city by the Spanish fleet on the 31st of March last.

The question presented for my opinion is, whether a case is made for the intervention of the United States on behalf of these citizens for indemnity against Spain or Chili?

I do not see any ground upon which such intervention is allowable in respect to either of those governments.

The bombardment was in the prosecution of an existing war between Spain and Chili. Although, under the circumstances, it was a measure of extreme severity, yet it cannot be said to have been contrary to the laws of war, nor was it unattended with the preliminary warning to non-combatants usual in such cases.

It does not appear that in carrying on the bombardment any discrimination was made against resident foreigners or their property. On the contrary, there was at least an attempt to confine the damage to public property.

Then, as to the Chilian authorities, it does not appear that they did or omitted any act for which our citizens there domiciled have a right to complain, or that the measure of protection they were bound by public law to extend to those citizens and their property was withheld.

No defense was made against the bombardment, for that would have been fruitless and would have aggravated the damage, as Valparaiso was not then fortified, and no discrimination was made by those authorities between their own citizens and foreigners there domiciled. All shared alike in the common disaster.

The rule of international law is well established that a foreigner who resides in the country of a belligerent can claim no indemnity for losses of property occasioned by acts of war like the one in question.

The bombardment of Copenhagen by the British in 1807 is a notable illustration of this rule. Immense losses were sustained by foreigners domiciled in that city. There was no previous declaration of war against Denmark, and no reasonable ground upon which the bombardment could be justified, and yet no reclamation upon the footing of these losses was ever admitted by Great Britain. The bombardment of Greytown, in May, 1854, by the United States sloop of war Cyane, is another instance of this rule. Losses were sustained by French citizens there domiciled, from the fire of the Cyane. A petition to the United States from those parties for indemnity was presented through the French minister, then resident at Washington, but without the express sanction of his goverment. Upon full consideration, this petition was refused. Mr. Marcy then Secretary of State, in answer to the claim holds the following language: "Th undersigned is not aware that the principle that foreigners domiciled in a belligeren country must share with the citizens of that country in the fortunes of war, has eve been seriously controverted or departed from in practice."

I have therefore to repeat that I am of opinion no ground is laid for the interven tion of the United States in favor of these parties.

I am, &c.,

HENRY STANBERY.

Hon. WM. H. SEWARD,
Secretary of State.

No. 165.

Mr. Tracy to Mr. Evarts.

[Translation.]

LEGATION OF PERU,
New York, June 24, 1879. (Received June 26.)

SIR: The minister of foreign affairs of Peru has instructed me to transmit to you the inclosed pamphlet, which is the counter-manifest addressed by the Peruvian Government to the United States in relation to the war declared by Chili.

The Government of Peru, which is now more desirous than ever to merit the good opinion and the friendship of the enlightened Government of the United States, hopes that your excellency, by perusing the statement made in its name by Mr. Irigoyen, will be enabled to appreciate Chili's true motives in declaring war against us, and to see on which side justice is.

I avail myself of this occasion to reiterate to your excellency the assurances of my very high esteem and distinguished consideration.

JOSÉ CARLOS TRACY.

COUNTER-MANIFEST.

Peru's reply to Chili.

(Addressed by the Government of Peru to all friendly powers with reference to the war which has been declared against it by Chili.)

[Translation.]

LIMA, *May* 1, 1879.

SIR: The exposition which was addressed on the 12th of April last to all friendly governments, by the minister of foreign affairs of Chili, reveals the fallacy of the motives which have led that government to declare war against Peru.

I feel confident that your excellency has vainly sought in that document for a single plausible pretext which may even apparently justify the very serious grounds taken therein, for it is not possible for good sense and justice to exhibit themselves on a foundation which has been prepared for some time past by overweening ambition and other ignoble sentiments, which at once present themselves to the appreciation of an impartial criticism.

The Government of Chili having lost prestige it its own country, through the policy which it had followed in the question of the Argentine Republic, by maintaining for a long series of years, and in a most irritating manner, exaggerated pretensions over the straits of Magellan and the Patagonian coast, and by afterwards abandoning them before the energetic attitude of that nation; embarrass by the increasing depression of its industries, and by an overwhelming commercial crisis which was daily destroying the principal sources of its prosperity, it suddenly turned its attention to the Bolivian coast, the object of its ancient and oft deferred aspirations, in order to realize an easy conquest which should re-establish it in the good opinion of its citizens, and replenish its exhausted treasury with the abundant wealth which Providence had bestowed upon that privileged territory. For that purpose it needed some pretext which should enable it to initiate its shameful programme, which was found in the question which had sprung up between the Nitrate and Railroad Company of Antofagasta and the Bolivian Government, on account of the moderate tax of ten cents which the latter had established upon the exportation of each quintal of nitrate, as a means of forcing the settlement of differences then existing.

Although in this question, which was an entirely private one, and as such subject solely to the laws and tribunals of Bolivia, there was no excuse for the interference of any government, that of Chili arrogated to itself the defense of those interests belonging not only to Chilians, but also to citizens of other nations; taking as a basis Article IV of a treaty celebrated with Bolivia in 1874, it demanded the suspension of the tax under threat of annuling the treaty.

The Bolivian Government repelled such a pretension, and reminded the Government of Chili that arbitration was stipulated for the settlement of differences which might arise between them.

The latter government, which up to that moment seemed to have forgotten so sacred a pledge, as was evident by the terms of its demand, was forced to acknowledge it by requiring Bolivia to suspend the execution of the law imposing a tax on the Nitrate and Railroad Company of Antofagasta, in order to submit the matter to the arbitration prescribed by the treaty.

And your excellency must bear in mind that while Chili thus appeared ready to enter into an amicable arrangement with Bolivia, it had sent one of its ironclads to Antofagasta with forces ready to land, and another portion of its fleet to Caldera with all descriptions of war material, assuring the governments of La Paz and Lima, through its respective legations, that the ships and forces dispatched to that port had no other aim than to insure, in case of necessity, order and tranquillity on shore, in harmony with *the Bolivian authorities*.

During this interval the Bolivian Government, animated by a desire to avoid a conflict with Chili, and deferring at the same time to the good offices interposed by Peru, yielded to the pretensions of the former republic by suspending the execution of the law imposing a tax on nitrates, and by accepting arbitration.

This fact should have effectually put an end to all difficulties, and my government believed it would; but the Government of Chili, which was determined by all means to destroy the treaty of 1874 and to seize a portion of the Bolivian coast, found a new pretext in the decree issued by the Government of La Paz rescinding the private contract which it had celebrated with the Nitrate and Railroad Company of Antofagasta. Such a resolution, even on the hypothesis of its being unjust and illegal, is not a sufficient cause to justify a government violently to break a treaty, and still less for taking possession of the coast of its opponent under the pretext of *reivindicacion*, as has been done by Chili, since before impartial minds it would not be justifiable even to exert the mere pressure of force.

Questions such as that existing between the Government of Bolivia and the Nitrate Company, in itself a private question, are subject to the decisions of competent tribunals in accordance with the legislation of each country, and with the principles of international law. It is only in cases of notorious injustice that a foreign government may interfere for the protection of its citizens, and under this aspect of the question Chili should have waited for an opportunity to interpose its claim, following the conduct usually adopted in such cases by nations which do not deviate from the principles maintained by science and accepted by civilized communities, and without overlooking the fact that all difference with Bolivia should be settled by arbitration.

Notwithstanding this, it pursued a different course, for no sooner did it receive the news of the recision of the contract adjusted with the company, and without protesting against the act by peaceable means, which at least might conform to the practice usual in such cases, than it hastened to occupy the defenseless Bolivian coast, with forces prepared beforehand, and which, according to its previous declarations, were only to be used to preserve order on land, should it become necessary, in *harmony with Bolivian authorities*.

Chili endeavors to justify its conduct by alleging that the territory comprised between parallels 23° and 24° of south latitude belonged to it by right of dominion and possession before the treaty of 1866; that it was ceded to Bolivia on condition that the latter would not impose additional taxes on Chilian industries and capital for 25 years; and that this republic, having set aside that stipulation, it became necessary to bring things back to their previous status.

In order that your excellency may appreciate the inaccuracy of those statements, it will be sufficient for me to bring before your enlightened consideration the declarations made by the Chilian foreign office itself, and contained in the memorial of the minister of foreign affairs addressed to the National Congress of that republic in the years previous to the treaty of 1866.

In the memorial of 1861 is found the following: "*The Treaty of Boundaries* which was being negotiated with the republic of Bolivia has met with unexpected interruptions. The government had cherished the idea that amicable and prudent arrangements would effectually dispose of questions as to the *uncertainty of limits* which heretofore had been the source of difficulties between the two countries, and regrets that the steps taken in this direction have been fruitless."

In a similar document, in the year 1862, the Government of Chili also acknowledges the uncertainty of limits in the following words: "The negotiations relative to the adjustment of *the Treaty of Boundaries*, which in this respect would put an end to the old questions, have estranged this republic and Bolivia, and have not produced the results which were expected." In the same memorial the minister of foreign affairs tells the Congress of this country: "Bolivia, through its special envoy, *ad hoc*, had proposed to subject the matter to the arbitration of a third friendly power." This cir-

cumstance demonstrates the confidence which Bolivia always had in her rights, and her desire to effect an amicable arrangement.

And lastly, in the same strain, the minister of foreign affairs, in his report for the year 1863, declared that a treaty determining boundaries was pending, which should finally settle all questions as to limits which had arisen between the two countries.

It is then a demonstrated fact that before the treaty between Chili and Bolivia of August 10, 1866, there was an *uncertainty as to the limits between the two countries*, and also negotiations for the celebration of a treaty which should settle all their differences, whereby it is apparent that the assertions made by Señor Fierro, in his memorial to the friendly powers, are wholly inexact when he assures them that Chili, before the treaty referred to, "enjoyed dominion and possession over the territory comprised between the parallels of latitude 23 and 24."

Had Chili been in that situation, she certainly would not have sustained through long years the negotiations to which she refers in her own documents, and still less would she have carried her disinterestedness to the extent of abandoning a rich territory merely to ingratiate herself with the Government of Bolivia. Thoroughly convinced that the territory in dispute had at no time belonged to her, she would not accept the arbitration proposed by Bolivia, and feeling confident that, under any circumstances, the verdict would be adverse to her pretentions, she celebrated the treaty of 1866, the first article of which is as follows:

"The line of demarcation between Chili and Bolivia, in the desert of Atacama, shall henceforth be the 24th parallel of south latitude, from the Pacific coast to the eastern limits of Chili; so that Chili on the south, and Bolivia on the north, *shall enjoy possession and dominion* over the territory extending to the said parallel of latitude, and shall exercise therein all the acts of jurisdiction and sovereignty inherent to the lord of the soil."

This article coincides in sentiment with the preamble to the treaty, wherein it is asserted that both republics "desired to put an end amicably, and mutually satisfactory, to the *long pending question* between them as to the determination of their respective territorial boundaries of the desert of Atacama," and also with the terms of the memorial which immediately after the celebration of that treaty was presented to the Congress of Chili by the minister of foreign affairs, wherein the following language is employed: "Animated, as well as is Bolivia, by an earnest desire to establish more intimate relations between the two republics, and *to remove forever* any cause of difference between them, we *avail ourselves* of these conditions, mutually liberal, for the *definitive settlement of the former question* of boundaries in the desert of Atacama."

The treaty of 1874, which is the last which has been celebrated between Chili and Bolivia for the purpose of introducing some modifications in the division of the profits of the development of the frontier territory, which had been reciprocally recognized in the treaty of 1865, strengthened the rights of Bolivia over the territory comprised between the 23d and 24th parallels of latitude. Its first article is, in fact, the most precise which could have been agreed upon, since it says: "The 24th parallel of latitude, from the coast to the Andes at the *divortia aquarum*, is the line between the republics of Chili and Bolivia."

These stipulations, in their spirit as well as their form, are absolute and unconditional, and in nowise resemble the terms employed by nations in treaties in which a cession of territory is agreed upon. Article 1st of the treaty celebrated between France and Sardinia in 1859, in reference to the cession of Lombardy, is conceived in these words: "His Majesty, the Emperor of Austria, renounces, in his name, and that of his successors, his rights and titles over Lombardy." Almost the same terms are employed in the cession of Monaco to France, of the cantons of Menton and Koemebrume, and of the more modern of Nice, in 1860.

It was necessary to set forth the antecedents to which I have referred, and which extend over a period of twenty years, in order to present in a proper light the origin of a dispute which culminated in the occupation of the Bolivian coast, and which has led Chili to declare war against Peru. These antecedents, moreover, are indispensable in order to arrive at a conclusion that the conflict between Chili and Bolivia, so long sustained, was amicably settled in the treaty of 1866, and ratified in 1874, wherein the two high contracting parties reciprocally renounced the right which each claimed over territory in Atacama.

It cannot, therefore, be justly held that Chili had ceded to Bolivia a portion of territory which was indisputably the property of the former; and still less that the treaties already cited were conditional, as it is claimed by Chili.

Your excellency is well aware that treaties establishing boundaries, similar to those recognizing the independence of a state, are not of a transient character, having the special feature of being definite and unchangeable after they are once carried into effect. Such treaties continue to exist even independently of a change of sovereignty and of the form of government of a country, and that war itself cannot abrogate them, as it does *ipso facto* all other treaties between the belligerents.

It is not true the treaty of 1874 is conditional, or that Chili has ceded her rights

over the territory comprised between the parallels 23° and 24° of south latitude, on condition of the non-imposition of additional taxes on Chilian industry and capital, as is affirmed by Señor Fierro. Chili could not cede that which had never belonged to her, and still less stipulate conditions for similar concession. In the treaty of 1866 she recognized the dominion of Bolivia over the territory which extended to the 24th parallel of latitude, declaring that that republic might exercise over that territory all acts of jurisdiction belonging to the "lord of the soil."

This acknowledgment having been made in an absolute manner, it was not allowed to subsequently revoke it by any stipulation of ulterior conditions. Chili had solemnly declared Bolivia as the owner of the soil, and having considered her as such during eight years, until treaty of 1874, in which very far from throwing any doubt upon the rights which she had recognized to Bolivia in 1866, she saw fit to ratify them, and could not fall back upon the old questions invoking the right of reoccupation, which is completely rejected and abolished among all civilized communities.

Reoccupation implies unquestionable dominion over the property to which it refers; and if Chili has never exercised dominion over the territories which she has just violently occupied; if, far from this, abandoning her ancient claims she acknowledged that that territory belonged to Bolivia, it is evident that the right of reoccupation which she has asserted is a contradiction in ideas, and an abuse in fact, and the integrity of the treaty of 1874 cannot be brought forward as a counter-argument, for even supposing that it had been abrogated by the alleged violations on the part of the Bolivian Government, things should have been restored to the condition in which they were found prior to the celebration of that treaty, and as a consequence Bolivia's right of dominion over that territory should have remained unimpaired since it had been recognized in an irrevocable manner in the treaty of 1866.

The Government of Chili has, however, ignored these obvious principles in the autonomy of sovereign states; and in the midst of peace has broken the treaty of boundaries by taking forcible possession of territory which she herself declared belonged to Bolivia, and over which she had recognized the sovereignty of that nation from the year 1866 to the 14th February last; and she has proceeded to carry out her programme invoking the absurd and untenable principle of *reivindicacion* which she has herself condemned in 1864, after the occupation of the Chincha Islands by the Spanish fleet, thereby shaking the foundations underlying American nationalities, and creating deep hatred and an unextinguishable desire for revenge, the tremendous consequences of which it is impossible to foresee or calculate.

The origin being determined of the motive which primarily actuated Chili to take possession of the Bolivian coast, as before stated, and afterwards to declare war against Peru, I will now have the honor to explain to your excellency the policy which has been pursued by my government in the conflict between those two republics, and the true reason of the policy followed by the cabinet of Santiago.

From the 2d of January of the present year, when this ministry was apprised of the first indications of a misunderstanding between Chili and Bolivia, it charged the representatives of Peru at La Paz and Santiago to proffer, at any opportune moment, to the governments of both the good offices of this republic in order to avoid a rupture, or in an amicable manner to avert all acts or measures which should render difficult or impossible a peaceful solution of the questions then pending.

My government further recommended to Bolivia, in a most friendly way, either at prolonged conferences in this ministry between the undersigned and the envoy extraordinary, Dr. Zoilo Flores, or through its representative at La Paz, the expediency of suspending the execution of the law establishing a tax on nitrates at Antofagasta, and the submitting of all difficulties to arbitration, which fact proves the earnestness with which Peru endeavored to prevent a conflict, and the inaccuracy of the contrary asseveration which the minister of foreign affairs of Chili has been pleased to make in his exposition.

On the 24th of January, that is to say 20 days before the occupation of the Bolivian coast by Chilian forces, our representative stated to his Excellency the President of Chili, in a special conference which he held with him during the absence of the minister of foreign affairs, that he was authorized to interpose the good offices of Peru in order amicably to prevent any violent act which might embarrass or interrupt a settlement with Bolivia. His Excellency accepted the offer enthusiastically, and responded to it with a formal promise that no extreme measures would be adopted without notifying the representative of Peru of the same.

Notwithstanding this our chargé d'affaires expressed to Minister Fierro himself the wishes of Peru, and when he had a right to expect compliance with the plighted word of the President of the republic, he only received a courteous rejection of his good offices and a notification that orders were given to occupy by force Antofagasta and Mejillones, as was actually accomplished a few days later. Meanwhile Bolivia had accepted the good offices of Peru, and yielded, as has been stated, to the demands of Chili, which consisted in the suspension of the tax imposed on the exportation of nitrate.

Peru was not, therefore, indifferent to the difficulties which were accumulating between Chili and Bolivia; its conduct, on the contrary, was that of a solicitous and far-seeing friend; and if its good offices, which had been proffered before the outbreak of hostilities, did not accomplish the desired end, it was due exclusively to the fact that in the councils of the Chilian cabinet it had been resolved beforehand, in an irrevocable manner, to seek the aggrandizement of its territory at the expense of its neighbor and ancient ally, and of the disturbance of the balance of power in this section of the continent.

And a very clear and eloquent proof of Peru's lively interest in favor of peace is found in the fact that, although its good offices have not been accepted, whereby it considered its dignity to have been wounded, it was not disheartened or discouraged in its efforts, but hastened to accredit to the cabinet at Santiago a minister plenipotentiary, with the special mission of proposing a settlement with Bolivia on the rational and just basis of the evacuation of the invaded territory, and of the submitting to arbitration of all difficulties existing with the latter republic.

Such repeated offers, the good faith of which Señor Fierro has permitted himself to doubt, by offensively insinuating that his Excellency the President of Peru had stated "that an impulsive public opinion was exercising an undue pressure, and embarrassing his power," were afterwards confirmed by our special envoy in Santiago, who, during the month of his stay in that city, did not cease to devise and propose various methods for a decorous agreement, without any result but the sad conviction that the Government of Chili was firmly bent upon sustaining, by all means, the usurpation of Bolivian territory, and the declaration of war with which she had responded to the efforts made by my government in behalf of peace.

At various conferences which our envoy held in Santiago with his Excellency the President, as well as with his minister of foreign affairs, it was always sought to hide from him their secret designs by speaking in such terms as to make him expect the possibility of the evacuation of the Bolivian coast, for the purpose of wringing from him a declaration of *absolute and unconditional* neutrality, and if not officially, at least through respectable sources, certain ignominious arrangements were proposed to him, which our representative rejected with dignity, as had been previously done by our charge d'affaires, notwithstanding the fact that those propositions favored Peruvian interests. Among them was that of dividing Bolivia between Chili, Peru, the Argentine Republic, and Brazil, and making of it, in the words which were employed, an American Poland; and another proposal was that Chili should retain the Bolivian coast, that Peru should cede Iquique and Arica to Bolivia, and that Peru should receive in exchange the Ecuadorian province of Guayaquil.

At the time that this occurred in Santiago, the representative of Chili in Lima addressed to this minister a note which was immoderate and studiously provoking, demanding an explanation of the attitude of the Peruvian press and people, which were but feebly replying to unstinted provocations of the Chilian press and people, falsely and slanderously charging my government with having furnished to Bolivia arms and munitions of war; demanding an explanation as to the existence of a treaty of alliance which united Peru and Bolivia, and which at that date was kept secret; and, lastly, requiring a categorical declaration of Peru's neutrality in the presence of the events which had occurred, and those which were probable, so long as Chili continued to defend by force of arms the Bolivian territory which she had occupied.

The negotiations having been established in Santiago, and this ministry believing that the Chilian cabinet was imbued with a more peaceful and conciliatory spirit than that which was manifested, in all his acts, by their plenipotentiary in Lima, it hastened to address Señor Lavalle, empowered *ad hoc*, a note in which are satisfactorily disposed of all the charges which were brought against my government, and recommending him to read the same to Señor Fierro and leave with him a copy of the document if he desired it.

This note, which was dated the 22d of March last, will be found among the documents annexed to the memorial which this office has just submitted to the extraordinary Congress, which opened its sessions on April 24th, and which I inclose, in order that your excellency may, if you deem it necessary, verify this and other facts to which reference is being made, and form an accurate opinion as to the proceedings of both republics.

In said document my government declared that as it did not then have official knowledge of the occupation of the Bolivian coast, and as it was not aware of the significance and true aim of that act, the opportunity had not yet arrived to express its opinion and define the attitude which it should assume, and that its policy depended upon two conditions which could not be disregarded, to wit, the existence of the treaty of defensive alliance binding Peru to Bolivia, and the decision of the national Congress, which had been convened for the exclusive purpose of marking out the line of conduct which the government should follow.

The minister of foreign affairs of Chili, however, presumes to affirm that the cabinet of Lima promised the Chilian plenipotentiary the neutrality of Peru. The inaccuracy

of this assertion is demonstrated not only by what I have already set forth, but also by the positive declarations which were directly and repeatedly made to the Chilian Government by our plenipotentiary, Señor Lavalle, that Peru could not and should not remain neutral in Chili's contest with Bolivia

Another assertion equally inexact, among the many which are contained in the exposition, is that which supposes that the promise had been made to Señor Godoy to suspend the warlike preparations commenced from the moment that the manifestly hostile designs of the Government of Chili became known. Far from this, on several occasions upon which that gentleman visited this ministry I stated, with the frankness which characterizes the Peruvian people, that we were arming ourselves in anticipation of whatever eventualities might arise, but that our preparations should not be looked upon by Chili as threatening, because they should not be regarded as of an aggressive character; and being satisfied with my representations, he repeatedly stated that he could understand that Peru's interest and political position could not allow her to remain neutral in the contest between Chili and Bolivia, and that he had communicated this impression to his government.

Nor is it true that Peru, while exercising its mediation at Santiago, had supplied Bolivia with arms and ammunition; and my government hastened to repel this charge with becoming dignity, at the very moment when it was advanced by the Chilian envoy. Not only did Peru carry its good faith and peaceful inclination so far as to refuse warlike supplies to Bolivia, but it endeavored to prevent the departure from La Paz of the army, which was burning with ardor to rush to the recovery of their country's usurped territory, as well as the sailing of a privateer which the Government of Bolivia, which is not a signatory to the declaration of Paris of 1856, had prepared to prey upon a rich and defenseless commerce. She omitted nothing in her unconquerable purpose of amicably settling the differences between the two countries.

The Government of Peru could not think or act otherwise; because, aside from the interest which it has ever felt and evinced in the preservation of peace among the South American States, and confiding in the good relations which bound it to its neighbors, it lived without troubling itself with preparations for war, and exclusively devoted itself to the improvement of the critical commercial condition in which it found itself, and which for some time back has impeded the development of its resources; the army, moreover, was distributed over points of its vast territory and was strictly reduced to the peace footing prescribed by law during peaceful times, and the fleet, as is well known to the public and foreign representatives resident in this capital, was almost disarmed, which circumstance, up to the present day, has prevented its leaving the harbor of Callao and repairing to the dislodgement of the Chilian fleet from the southern ports of the republic, that it may not continue its work of burning commercial and defenseless towns, and throwing shells on trains filled with women and children.

A nation completely disarmed as was Peru, and fearful that its interests should be compromised in the struggle if the contending republics did not arrive at some understanding, could not but labor sincerely and enthusiastically in favor of peace, and my government did so, suppressing the deep indignation produced in its own conviction and that of the whole country by the scandalous outrages against our consulates in Valparaiso and Autofagasta, committed in the presence of the Chilian authorities and forces, and which no doubt were expressly prepared with a view to provoke a rupture in the good relations which had been maintained up to that time.

While my government in this manner sought to avoid a sanguinary war, the Government of Chili dallied with the Peruvian plenipotentiary by offering hopes of an arrangement which was *not regarded as impossible;* and as soon as preparations for war which had been carried on had been completed, it suddenly and brusquely severed relations with the Peruvian envoy, while at the same time the Chilian minister at this capital demanded his passports; and immediately, and without a formal declaration of war, began the blockade of Iquique, and committed those acts of vandalism to which reference has been made.

In order to justify these proceedings it simply alleges the preparations which were making in our fleet, the dispatching of a division of 1,500 men to the port of Iquique, and the existence of a secret treaty which Peru had celebrated with Bolivia in 1873. The enunciation of these fundamental facts is sufficient to reveal their insignificancy and the evidence that the conduct of our adversaries was influenced by other and hidden motives which they dare not express because they would produce profound indignation among the nations of the earth.

The preparation of our fleet and the transfer of 1,500 men to Iquique on the breaking out of the war between two republics, who were our immediate neighbors, could not have been a cause of surprise to Chili, for it is quite natural that the nation should prepare itself for the possible emergencies which a war would be likely to produce, especially when it is carried on at its very borders, as has happened in this case. The Chilian Government had received, moreover, positive and repeated official declarations as to the character of the preparations going on in our fleet, which were merely mate-

rial, as well as of the movements of the small force mentioned; and it should have been convinced that they were not aggressive, as was subsequently borne out by the facts.

The treaty of alliance with Bolivia could not likewise be construed as a cause for war, inasmuch as in its celebration the contracting parties merely proposed to guarantee to each other their independence, their sovereignty, and the integrity of their respective territories through their mutual defense against any aggression by other nations, which fact does not imply an offense against any state whatever. Similar alliances abound in the department of foreign affairs of other nations, and have never given rise to doubt as to the good faith of the government celebrating them.

The impersonal character of the treaty, its abstract stipulations, and the conditions fixed for declaration of the *casus fœderis* demonstrate that it could have referred to Chili only after that country should have of her own accord made the fulfillment of the treaty necessary. This treaty, moreover, did not render a war inevitable, but on the contrary required a resort to conciliatory methods which were opportunely offered by Peru without the necessity of concealing under the guise of mediation the character of a beligerent.

On the other hand, the existence of this treaty, notwithstanding the secrecy of its character by virtue of one of its stipulations, was not unknown to Chili. Her public men, and even her ministers of state, at different periods, have mentioned it and frequently referred to its contents.

Moreover, the Chilian Government had official knowledge of its existence from the commencement of the troubles with Bolivia, as the President of this republic and the undersigned communicated to Señor Godoy its principal stipulations, which, far from embarrassing, supported and justified the mediatory and friendly attitude which Peru had assumed in its efforts to avert war between two friendly republics, and to avoid the occurrence of the emergencies which would necessitate bringing into effect the secret alliance.

Nor did the stipulations of the treaty render impossible the neutrality of Peru. If Chili had not occupied the Bolivian coast, invoking the absurd principle of revindication which violates the *uti possidetis* of 1810 and threatens the territorial integrity of South American States; if Chili had not harbored the purpose of taking forcible possession of that which had never belonged to her; if, deriving her inspiration from a sound judgment, Chili had confined her efforts to obtain through coercive measures the interpretation which she places upon Article IV of the treaty of 1874, arrogating to herself the settlement of a question which properly belongs to Bolivian jurisdiction, Peru would undoubtedly have had no cause for interference in the contest; for so long as the integrity of Bolivian territory was not menaced the *casus fœderis* would not have been invoked, and Peru would have remained neutral and endeavored to prevent the war and the severance of the good relations between the two countries which the hostilities already commenced presaged.

In 1873 Bolivia was threatened with territorial dismemberment, as was also the Argentine Republic. These threatenings gave rise to the alliance, the aims and tendencies of which are eminently American, since they are calculated to avert war among nations to which peace is necessary for their development and prosperity. Chili had irrevocably settled its boundary question with Bolivia since 1866; and the later treaty, celebrated in 1874, proves that it was not the cause nor the object of the alliance, unless Chili should venture, as it has done, upon the forbidden ground of scandalous usurpation.

The idea that the alliance was inspired by the necessity of forestalling the clamor of the nitrate proprietors in Tarapaca, despoiled of their industry, lacks foundation, and is evidently irrelevant. The expropriation of the nitrate works has cost Peru more than 20,000,000; and the price paid to those who voluntarily disposed of them, and in the price so paid, will be found by those who do not close their eyes to the light of evidence an indemnity which was in some cases far above what justice itself would have demanded. There can be no spoliation when the price of a property is paid and indemnity guaranteed. Peru did both, and does therefore not deserve the insults which have been launched at her in the exposition of the Chilian minister of foreign affairs.

To construe into a cause of alliance between two nations the necessity in which the government of one is placed to avoid claims which may be preferred by the nitrate manufacturers in opposition to the fiscal measures which that nation may have adopted, is a singular proposition which none can accept. Such allegations simply demonstrate that Chili was preparing to constitute herself the champion and defender of the nitrate manufacturers who had been abundantly remunerated for the value of the *oficinas* which they had voluntarily sold to the state; since, only in this manner can we understand that the minister of foreign affairs should perceive in the alliance the consummation of the expropriation of the nitrate works and an offense against his country.

But while it is true that before impartial minds it cannot be maintained that such expropriation inspire the idea of alliance, we must agree that it insured for Peru and Bolivia the nitrate monopoly and the multiplied interests which are connected there-

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But while it is true that before impartial minds it cannot be maintained that such expropriation inspire the idea of alliance, we must agree that it insured for Peru and Bolivia the nitrate monopoly and the multiplied interests which are connected there-

with, by laying the foundation of a prosperous business which Chili coveted and was determined to wrest from us at all hazzards. Up to that time Peruvian productions had equaled Chili's balances of trade abroad; and after, by force of circumstances, the latter's capitalists had withdrawn from Tarapaca, her ambition revived, and she returned to her efforts for the acquirement of new territories which should offer a fresh field for her decaying activities. This alone can explain the policy of Chili. She needs riches in her present critical financial condition, and as they cannot be found on her exhausted territory, she seeks to obtain by force of arms those which belong to her neighbors. Such are the teachings of the justice which she so loudly proclaims, and of the civilization which she boasts.

The real cause therefore of the war which Chili has declared against Peru is to be found in her vaulting ambition, in her vehement desire to grasp the Bolivian coast, which abounds in guano, nitrates, and other minerals. This she has been seeking for years without hesitating at the employment of any means, even those which are forbidden; and she incessantly seeks the accomplishment of her ends. Taking advantage of Bolivia's internal difficulties, Chili attempted to wrest from her the territory comprehended between the 23d and 24th parallels of south latitude; and not satisfied with this concession, she has endeavored to set Bolivia at war with Peru, by promising assistance, as I have already stated, in the work of seizing the department of Tarapaca in exchange for the territory bordering on the Loa.

There is no act of faithlessness which Chili has not practiced against Peru under cover of the good relations existing between them. Neither the sacred interests of America, nor the dignity of nations, nor the respect due from one state to another, nothing has sufficed to satiate her inordinate ambition. Immediately after the Spanish forces occupied the Chincha Islands under Admiral Pinzon, instead of taking the side of South American interests Chili endeavored to establish closer relations with Spain and to arrange with Ecuador an offensive alliance against Peru, to the end that the latter, crushed by the calamities of war, and in the midst of the difficulties which then embarrassed her means of defense, should succumb, and become the foundation for the realization of Chili's unholy ambition.

While the truce with Spain had not yet been agreed upon and the state of war, therefore, still continued, the Chilian representative in London, without Peru's knowledge and acquiescence, arranged with the representative of Spain to obtain from England's ship-yards the vessels which both had ordered to be built, thus allowing a common enemy considerable to increase her naval forces.

Not having then realized her perfidious combinations she ordered the construction of powerful iron-clads which might enable her to assert supremacy in the Pacific and impose her will upon the nations of the Continent. As soon as she felt her strength she renewed her task against Peru by inspiring the governments and leaders of Bolivia with the idea of seizing a portion of our territory; and availing herself of the first opportunity which offered she has declared war against us, which has been her aim for many years, as the question with Bolivia has been a mere pretext which is proved by several very important public documents in which she has proposed to that power immediate peace, and the compensation of her territory with the more valuable possessions of Peru.

In the light of these antecedents your excellency will appreciate the true motives with which Chili has declared war against us, and will perceive upon which side justice lies.

In the mean time Peru, prematurely drawn into the conflict, places her destinies under the protection of Providence, relying on the justice of her cause, and depending upon the alliance with the noble Republic of Bolivia, trusting in the devotion of her sons and the tried bravery of her army and navy, she cherishes the conviction of her ability to punish her gratuitous enemy.

With sentiments of the highest consideration, I have the honor to subscribe myself your excellency's obedient servant,

MANUEL IRIGOYEN.

No. 166.

Mr. Christiancy to Mr. Evarts.

No. 25.] LEGATION OF THE UNITED STATES,
Lima, Peru, June 25, 1879. (Received July 16.)

SIR: Referring to my dispatch No. 20, in reference to the decree of the Bolivian President authorizing privateers, I have to say that having lately heard reports that Bolivia had been making efforts at Mou-

tevideo to get vessels to take commissions as privateers, that they were making like efforts in California, and expected also to fit out privateers in ports of Peru, it occurred to me that as Peru and Bolivia were allies in this war, I might with propriety, in the most informal and friendly manner, call the attention of the minister of foreign affairs of Peru to the decree of President Daza and suggest to him the points of conflict which might arise between that decree and the treaty of the United States with Bolivia. I accordingly called upon the minister and stated that it was my wish in the most informal and friendly manner to call his attention to the conflicts which might arise between the principles announced in President Daza's decree and the treaty between the United States and Bolivia, which I proceeded to do; and I took the liberty also to state that if privateers should be fitted out in Peruvian ports under the decree of the President of Bolivia and to be governed by the principles announced in that decree, it might become my duty to make a formal protest to the Peruvian Government against such action. But I stated at the same time that I made these suggestions upon the principle that it is better to avoid difficulties and misunderstandings of this kind in advance than to undertake to remedy them afterwards; and that it had occurred to me that as Peru was in alliance with Bolivia in this contest a friendly suggestion made by him to the proper officer of the Bolivian Government might be well received, and that the President of Bolivia might be induced so far, at least, to modify his decree as to prevent conflicts arising under the treaty of Bolivia with the United States.

These suggestions were received by the minister in a spirit of the utmost kindness and cordiality, and he assured me that he would take occasion in a like friendly and informal manner to bring them to the attention of theBolivian Government; and that he thought I need have no fear that Peru would allow anything to be done in her ports which would be likely to conflict with the rights of the United States under their treaties with either belligerent.

I have, &c.,

I. P. CHRISTIANCY.

No 167.

Mr. Evarts to Mr. Christiancy.

No. 24.] DEPARTMENT OF STATE,
Washington, June 26, 1879.

SIR: I transmit herewith, for your information, copy of an instruction addressed by this Department on the 23d instant to Mr. Pettis, the United States minister resident and consul-general at La Paz, Bolivia, in relation to the intimation lately received through British official channels that the issuance of letters of marque had been decreed by the Bolivian Government, and that agents thereof were already on their way to the United States. A copy of the circular published by the Treasury Department on the 21st instant, addressed to collectors of customs and others whom it may concern, touching the observance of the neutrality laws of the United States, is inclosed.

In the fortunate absence of any intimation that Peru, as the ally of Bolivia, has contemplated, or contemplates, any action which might even remotely infringe the international obligations or domestic laws of the

United States, it is unnecessary to instruct you to make official communication on this subject to the minister of foreign affairs, but you may, should you deem it pertinent, intimate to him that this government is using, and proposes to use, every effort to secure the complete observance of the neutrality laws of the United States, both by their own citizens and on the part of those of the belligerent.

I am, &c.,

WM. M. EVARTS.

NOTE.—For instructions to Mr. Pettis and Treasury circular, Document No. 2.

No. 168.

Mr. Evarts to Mr. Tracy.

DEPARTMENT OF STATE,
Washington, June 27, 1879.

SIR: I have the honor to acknowledge the receipt of your note of the 24th instant with the "contra-manifesto" of Peru, relating to the motive of the war now being waged between her government and that of Chili.

Accept, sir, &c.,

WM. M. EVARTS.

No. 169.

Mr. Christiancy to Mr. Evarts.

No. 34.] LEGATION OF THE UNITED STATES,
Lima, Peru, July 15, 1879. (Received August 7.)

SIR: I inclose a copy of my letter of June 8 to J. W. Merriam, esq., our consul at Iquique, on the subject of blockade. This ought to have been sent you promptly at the time, but I was deficient in clerical force, and it was laid aside for the time, and overlooked until now.

I will say that at the date of the consul's letter, May 23, the blockade of Iquique had been raised by the Peruvian forces, and the consul stated he had been informed, by some gentlemen who professed to know, that by the rules of international law it could not be re-established without a three months' notice.

I will further say, as relating to the same subject (the blockade of Iquique) that both Chili and Peru have become parties to the treaty of Paris, which, among other things, defines what shall constitute a sufficient blockade. That from the time of re-establishment of the blockade at Iquique, about the 1st of June, until the 10th instant, or about that time, no question has been made of the sufficiency or efficiency of the blockade. But it seems that about the time last mentioned, or a little before, the Chilian blockading-squadron adopted the plan of withdrawing at night from the vicinity of the town to the distance of four, five, or six miles or more—fearing, as it is believed, the effect of torpedoes which the Peruvians and Bolivians (who are in possession of the town) might be able to use—and on the night of the 10th instant the Huascar, a Peruvian iron-clad, turreted vessel, of greater speed than the Chilian iron-clads, made her way without difficulty into the port, remained there

long enough to communicate with the allied forces on shore, and then, toward the dawn, sailed out in search of the Chilian fleet. She soon fell in with the Chilian transport Matias Cusino, a partially armed wooden vessel, and immediately attacked her, principally with small-arms, and demanded her surrender, which demand was at once complied with, and a prize-crew sent off in boats to take possession; but at that moment the Chilian corvette Abtao, the Magallanes, and later the iron-clad Cochrane made their appearance.

The Huascar at once recalled the prize crew she was sending out, and, having no time to take possession of the prize, she fired some heavy shot into her hull, disabling her. Then, seeing the Chilian fleet coming down upon her, she sought to make her escape, and in doing so, came in contact with the Abtao, with whom she at once engaged, and the combat was continued nearly an hour, when first the Magallanes and next the Cochrane coming within range, the Huascar left after doing serious damage to the Abtao, and by reason of her greater speed was enabled to make her escape, with very slight injury. What may have taken place since in the port of Iquique, I am not informed.

But it is now insisted here by the Peruvian press, that the blockade is shown to be ineffectual, and that it should be treated as absolutely ended for all purposes. A strong effort, I have no doubt, will be made to induce the diplomatic representatives (of the neutral powers) here to take this ground. What may be the opinion of the other ministers here upon the point, I am not yet informed; but, for myself, I am not yet prepared to take so broad a ground upon the facts already existing, but on the other hand I am inclined to think the facts only show an unsuccessful attempt to raise the blockade by force.

If any mercantile vessel had in the night (say of the 10th instant), and without actual notice of the blockade, got into the port, she could not have been held guilty of a breach of the blockade for so doing. And it may be worthy of careful consideration whether, if this practice of withdrawing the blockading force so far from the port at night should be generally kept up hereafter, neutral nations might not be justified in treating it as ineffectual, and therefore null. But I do not intend to come to any hasty opinion upon this point, and propose to wait till the contingency renders its determination necessary.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 34.]

Mr. Christiancy to Mr. Merriam.

LEGATION OF THE UNITED STATES,
LIMA, PERU, *June* 8, 1879.

SIR: I notice that in writing to you on the 1st instant, I overlooked one point in your letter, viz, that in reference to the fact of the blockade having been raised, and the question of the length of time necessary to re-establish it. I will say in answer to your question that I know of no rule of international law which would require three months' notice to re-establish the blockade. But it requires the same notice (and no other) that it required to establish it in the first instance; and that, as I understand it, is reasonable notice, having reference to all circumstances existing at the time and place. The notice is mainly if not entirely for the benefit of neutrals, and should be sufficient to all or any neutral ships in port to leave with any cargoes they may have on board at the time; but they can take on no more cargo after notice of the blockade, except with the assent of the blockading squadron, as the recognized purpose of a blockade is to put an end to the foreign commerce of the port, and thus to weaken the power of the nation to which the port belongs.

And as to vessels approaching the port for commercial purposes, they will not be liable to capture unless, after they receive actual notice of its existence, they attempt to enter, in which case they would be liable to capture and forfeiture. But this blockade, not having been formally notified to the governments of neutral powers, so as to give room for the doctrine of implied notice to the ships of such nations; such ships are not to be seized until they shall have received actual notice, which naturally will be given them on their approach by the blockading squadron.

And as to the nature of a blockade itself, you may take it for granted that no mere paper blockade will be recognized by neutral powers, but only such as are maintained by an adequate force. Such an actual force as to render it impossible, or, at least, imminently dangerous, for a vessel to enter the port. But, of course, this doctrine is liable to some qualification. The presence of such force is not required to be absolutely perpetual under all circumstances; as in the case of a storm which may temporarily disperse the blockading force, they will be allowed a reasonable time to resume their position. But, if they voluntarily and completely leave the port so as clearly to indicate a disposition to abandon the blockade, or if they are driven off by the enemy, and the enemy get complete control of the port for a few days (perhaps for a single day) the blockade is ended.

I am, &c.,

I. P. CHRISTIANCY.

J. W. MERRIAM, Esq.,
United States Consul, Iquique.

No. 170.

Mr. Evarts to Mr. Tracy.

DEPARTMENT OF STATE,
Washington, July 19, 1879.

SIR: I have the honor to acknowledge the receipt of your note of the 16th instant, and of the report of the Peruvian minister of foreign affairs, presented to the congress convened on account of the war now in progress between Peru, Chili, and Bolivia, and to express the thanks of the government therefor.

Accept, sir, &c.,

WM. M. EVARTS.

No. 171.

Mr. Christiancy to Mr. Evarts.

No. 36.] LEGATION OF THE UNITED STATES,
Lima, Peru, July 20, 1879. (Received August 15.)

SIR: I have not recently written you anything (excepting in an incidental and collateral way) upon the progress of the war, because it is very difficult to discover that any real progress has been made, except in the way of raising soldiers and transporting them with munitions of war to some field of anticipated operations, and some indecisive and comparatively unimportant naval operations.

By land, the desert of Atacama as effectually separates the armies of Chili on one side, and Peru and Bolivia on the other, as the broad Pacific separates the armies of either from those of China.

Neither party seems to have a navy with sufficient transports to convey an efficient army with its necessary stores and munitions into the territory of the other, at any great distance from that part of Bolivia

which approaches the coast, and no decisive action has taken or is likely soon to take place between the fleets. That of Chili would be much the most efficient if a general engagement could be brought about. The Peruvians know this and avoid it, but, with their lighter and swifter vessels, play around the ponderous Chilian iron-clads with impunity, performing the most efficient service, rendering the iron-clads comparatively useless. These last would do the most effectual work if the work were brought to them to be done; but unless they can greatly increase their speed they are not likely to find such work at the right time and place to render it of much consequence.

Chili thus far has, by her own mode of carrying on the war, conferred a great favor upon Peru and Bolivia, by transferring the field of operations to the very locality which they would naturally have chosen, the point where their forces can readily form a junction and operate in concert. And they seem to be now acting in entire harmony, having an efficient combined land force in that region of between 28,000 and 32,000 men, which can be readily concentrated. And the Chilian fleet is too small, compared with the size of the Pacific Ocean, to enable that fleet seriously to endanger the free water communication between the field of operations and the Peruvian base at Callao.

Such is substantially the condition of military affairs to-day. It is liable to be changed at any time, but no one can foresee just what that change is likely to be. In the mean time all the parties are rapidly exhausting their finances, if in fact either can be said now to have any financial resources, for both are on the verge of bankruptcy. The people of all these belligerent countries are poor, and need all their resources.

If the war continues long, further complications are to be feared. The attitude which the Argentine Republic seems to have assumed (according to the intelligence received here, but of which you will be better informed) in rejecting the recent treaty made with Chili, looks ominous for the latter; and if this intelligence should prove correct, Chili seems to be threatened with dismemberment, a result which, in my opinion, would be disastrous to all parties, and which would operate for centuries to come as a cause of commotion and of constantly recurring revolution. In the meantime, while the present war lasts, it not only absorbs all the means of the belligerents and retards all progress in developing their resources and improving their material prosperity, but practically annihilates all commerce with neutral and friendly nations.

It is, therefore, as it seems to me, clearly for the interest not only of the belligerents, but of all other nations, that peace should be brought about between them at the earliest practicable moment. And our own government more than all others seems to me to be interested in such a result; as all these republics have sought to follow the example of the United States, which must naturally feel, to some extent, responsible for their success.

I cannot speak with any confidence of the disposition of Chili, but I am entirely satisfied that both Peru and Bolivia would more readily accept the intervention or advice of the Government of the United States than of any other government in the world. Of this I have become satisfied from various informal and familiar conferences. And if either of the belligerents (Peru and Bolivia on one side or Chili on the other) could be induced to make a proposition for peace on the basis that Chili should first evacuate and surrender the territory, the seizure of which from Peru and Bolivia was the commencement of the war, and that all matters in dispute (boundaries, violation of treaties, expenses

of the war, &c.), should be referred to the Government of the United States or any department thereof, I am strongly inclined to believe that the proposition would be accepted by all the belligerents.

Mr. Pettis, our minister to Bolivia, who feels a deep interest in bringing about peace, and has, as he informs me, learned through the correspondence with Mr. Osborn at Santiago, that he also is very desirous of the same result, telegraphed me on the 8th of this month from Puno (on the shore of Lake Titicaca), requesting me, at his expense, to meet him at Mollendo (on the coast), "in the interest of peace," and to telegraph him at Arequipa, &c. I telegraphed him at Arequipa that I could not come, but that I should write him at Mollendo, which I did on the 9th (which was the first mail). And as that letter shows my reasons for not complying with his request, I inclose a copy of it, without (otherwise) repeating the reasons for declining to go. I will say, however, that before receiving the telegram of Mr. Pettis I had ascertained exactly the position of the Peruvian Government in reference to the only basis upon which (in the present condition of affairs) they would be willing to enter upon negotiations looking to a termination of hostilities, but I was entirely ignorant of the disposition of Chili, and if I could have been assured that Chili was ready to make a proposition for negotiations upon the only basis which Peru would (under present circumstances) entertain, I might have ventured to meet Mr. Pettis at Mollendo, as proposed by him.

On the 18th, Mr. Pettis came to Lima, and I called upon him at his hotel and invited him to the legation, an invitation which he accepted. He seemed to feel very sanguine that by our efforts a peace might be effected. But, though he had corresponded on the subject with Mr. Osborn, he could give me no definite information as to the terms upon which Chili would be willing to enter upon negotiations to that end.

But I went with him to the minister of foreign affairs of Peru, who fixed a meeting for 2 o'clock p. m., of the 18th, which we attended. Mr. Pettis then explained his interviews with the Bolivian authorities, and presented the paper showing the result, a copy of which I here inclose (marked Exhibit No. 2, which is a translation by the interpreter for the Bolivian Government), and he submitted the questions: 1st. Whether, if our minister in Chili could give assurance that Chili would be willing to accept a proposition for peace upon the basis indicated by that paper, Peru would be willing to take the first step by offering to Chili such a proposition? 2d. If not willing *to make* the proposition, would Peru *accept* it, if Chili should propose it?

The minister of foreign affairs asked time to consult the other members of the government, and appointed 9 o'clock in the evening of the same day, at his room at the palace, to give an answer. We met as proposed, and the minister then assured us that if Chili should make the proposition the basis indicated by the Bolivian authorities (as stated in the inclosure herein, No. 2), Peru would accept; but that, considering the mode in which Chili had brought on the war (I give the substance, not the exact words which were given through an interpreter), Peru could not consent to *make* the proposition. This I thought sufficiently specific. But Mr. Pettis then drew up two questions in writing, which he asked the minister to answer; the first of which was the same to which he had already given a direct affirmative answer, and to which he again answered in the affirmative. The second question was drawn in words which I did not consider very clear or definite, but which, as verbally explained by Mr. Pettis and myself through the interpreter (who is an attaché of the Peruvian legation in Bolivia, and had accom-

pallied Mr. Pettis), this second question was precisely to the effect of question No. 2 herein inclosed (marked inclosure No. 4); and to this question, as thus interpreted and explained to him, he gave an affirmative answer.

I am compelled to say that in conversation with Mr. Pettis after this interview, he persisted in claiming that the Peruvian minister of foreign affairs had given an affirmative answer to the questions which he had proposed to him, and in the form proposed and written by him; but I am also compelled to say that the minister did not answer the last question at all, in the form proposed by Mr. Pettis, but only in the form I have given it in question No. 2, as explained to and understood by the minister.

Another meeting was fixed with the minister of foreign affairs for 1 p. m. of the 19th, but being compelled to go to Callao in the morning, I was not able to get to the palace until 1.20 p. m., when I met the minister and Mr. Pettis, and I do not know what had taken place between them before I arrived. But when Mr. Pettis, at the time of our leaving, assumed to declare to the minister that both he (Mr. Pettis) and myself were confident or had no doubt that Chili would consent to make the proposition or one of the two propositions in question, I felt constrained to say and did say to the minister, that while I hoped for such a result, yet, being without any special information upon the subject, and compelled to judge only from an outside view of the situation, equally known to him, I did not feel the same degree of confidence that my colleague had expressed, though I hoped for the same result. But that while it seemed to me that cool and sound judgment might dictate this course to Chili, yet, in the midst of a war of this kind, the passions as well as the judgments of men must be taken into the account, and that in this view, while my own judgment might satisfy me that it would be well for Chili to make such a proposition, I could not feel any high degree of confidence that the Government of Chili would take the same view.

Mr. Pettis left by the steamer of last evening for the south, declaring his intention to go to Santiago to see Mr. Osborn, and endeavor to persuade the Chilian authorities to make the proposition in question. I sincerely hope he may succeed.

If I could communicate with you by telegraph I should inquire of you whether, if Chili should make such a proposition as that contained in the second question above alluded to, the ministers of the United States would be allowed to meet at Mollendo and to decide upon the question referred to them. But, as little time could be gained by sending you a dispatch by mail to Panama, and thence by wire, and your answer in like manner, and as I have been furnished with no cipher, and the telegram might be made public, I have, for the present, concluded not to attempt this mode of communication.

But relying upon the known desire of the United States to secure peace between these republics, I shall, should Chili make such a proposition, venture to meet the United States ministers to Bolivia and Chili at Mollendo, for the purpose indicated, relying upon your approval of any fair course which may promise the desired result.

But as yet I fear there will be no occasion for me to assume the risk of exercising so questionable a discretion.

Please to accept, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 36.]

Mr. Christiancy to Mr. Pettis.

LEGATION OF THE UNITED STATES,
Lima, Peru, July 9, 1879.

DEAR SIR: Your dispatch received. At present I could not well leave, as I have an extradition case on hand, and other matters which require attention. I feel as anxious as you can to do anything in my power to bring about peace; but without some more definite information than I now have tending to make our efforts available in that direction, I could not properly venture to absent myself from the legation for so long a period as would be required. Please write me fully your views and what you conceive to be practicable, and by what means.

As Chili opened the war by seizing Bolivian territory and declared the war against Peru and took the offensive, it does not seem to me that the allies would be willing to take any steps in advance for peace, nor, without a trial of strength, to consent to any negotiations except upon the terms that Chili should first evacuate all Bolivian and Peruvian territory. But you may have more information than I have upon these matters, and if so, write me fully by next steamer.

I shall always be ready to do all I properly can in the interest of peace.

I am, &c.,

I. P. CHRISTIANCY.

[Inclosure 2 in No. 36.]

All under the special condition, not to take any decision or compromise without the knowledge and approval of the Peruvian Government.

The authorities of Chili, civil and military, withdraw from and disoccupy all territory that they have taken possession of upon and since the 14th day of February, 1879, leaving all things in the state and condition they were in previous to the 14th of said month. Then if arbitration is agreed upon, the arbitrators to hear, determine, and decide all matters in dispute between Bolivia and Chili and Peru, and establish the dividing line between the two countries, Bolivia claiming the boundary line fixed by the Chilian constitution, taking into consideration the damages caused by the act of 14th February, and the subsequent aggression claimed by Bolivia, the expenses of the war.

That reference may be made to the President of the United States of America as sole arbitrator, or to the judges of the Supreme Court of the United States of America, or the Ministers of the United States of America, in Peru, Bolivia, and Chili, a decision by a majority of the arbitrators sitting to be valid and binding upon the parties, to be approved in its execution and perpetuity by the President of the United States.

The above is a correct translation.

M. V. BALLIVIEN,
Interpreter.

QUESTIONS.

1. If Chili proposes arbitration upon the terms indicated by the authorities of Bolivia as presented yesterday, will Peru accept?

The minister says, yes.

2. If Chili proposes reference to the parties or authorities indicated in the first question and upon the basis implied in that question, excepting only that the time of evacuation shall be referred to the United States ministers for Peru, Bolivia and Chili, will Peru accept this?

The minister answers, yes.

No. 172.

Mr. Christiancy to Mr. Evarts.

No. 37.] LEGATION OF THE UNITED STATES,
Lima, Peru, July 22, 1879. (Received Aug. 15.)

SIR: I inclose you an editorial from the South Pacific Times of Callao, a paper which represents English opinion here with considerable fidelity;

and you will pardon me for saying a few words in reference to the matter which evidently gave rise to this editorial. I went down to Callao on the morning of the 19th, and called at the United States consulate there, where I learned through the consul and Admiral Rodgers that a Col. Horace N. Fisher was in Callao and about to go up to Lima to see me; that he represented himself as the bearer of important dispatches to me, and either from what he had said, or from what had been inferred by others from the fact of his having brought dispatches, the impression had already gone abroad, and it was generally spoken of by the public, that he had come here as the bearer of important dispatches in reference to an offer of mediation by the United States; and I am under the necessity of saying that his own conversation with me, and with others as reported to me, justified the public in the belief that he had some special mission from our government the object of which was to put an end to the war and restore peace, and that he was going to Chili with that view. And I will say that before receiving and opening the dispatches which he did bring to me, I drew the like inference from his conversation with me, and, under that impression, I conversed with him more freely than I should but for that impression. But when I found that the only papers he had were your dispatch No. 16, and the circular of your department of the 29th May, in reference to leaves of absence, and that he brought no letter from you in reference to himself or his supposed mission, I drew the natural (it may have been incorrect) inference that he was not charged with any special mission, but that he was assuming a consequence beyond what the facts warranted; and, though I treated him civilly, I did not make him a confidant.

He professed a warm solicitude for peace, whichI have no reason to doubt he felt; if he did not, he is the only American, I may say the only citizen of a neutral nation, I have seen here who did not strongly feel that desire.

He went south on the same steamer with Mr. Pettis, and if they can either or both succeed in contributing to an early peace, they will deserve the warmest thanks of all who take an interest, as I do, in the prosperity of these republics.

If I have drawn a false inference in reference to Colonel Fisher, you will, I know, pardon me, under these circumstances, for the innocent mistake.

Please accept, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 37.]

[Extract from the South Pacific Times, Callao, Tuesday, July 22, 1879.]

Colonel Fisher was among the passengers who arrived here by the Lima on Saturday. This gentleman is a special messenger from Washington to this country and to Chili, and bearer of dispatches to both these governments, offering the mediation of the United States Government in the present unnatural quarrel in which they are engaged. We sincerely hope the mission of Colonel Fisher will not be unattended with success, for there can be no denying the sincerity of purpose which prompts the great republic to action; not that the same might not be said of European governments, whose intervention would not be less earnest nor less sincere, but the interference of the United States will perhaps be more acceptable; and the presumption may be more generally and, perhaps, more justly entertained, that it is better interested nations, or those nations whose subjects have millions invested in these countries, should not be arbitrators. For instance, let us, for a moment, look at the proposition just made in France; it is to the effect that the bondholders unite to defray the expense of the war for Chili, on the condition that they are protected by Chili in getting paid

on their Peruvian bonds from the proceeds of the guano and nitrate, and that they be reimbursed from the same source the war expenses so to be advanced. This proposition would be acted upon had the English bondholders agreed to it. We allude to this point simply in illustration of the fact that there is less likely to be confidence where there is interest, or where disinterestedness cannot reasonably be expected to prevail. Under the circumstances, therefore, we think the United States is unquestionably the best nation to intervene, and has already acted for Peru, if not for Chili likewise, in reference to the political relations existing with Spain. Colonel Fisher presented his dispatches here on Saturday, and the same evening left for Chili with the same object. We have heard the opinion of one worthy of respect that an armistice is very likely to follow the presentation of the dispatches, so as to allow time for agreement as to the conditions of peace. We hope this may be so, for blood enough has been shed, and the wounds to national honor had better be healed now than later—the sooner the better.

No. 173.

Mr. Christiancy to Mr. Evarts.

No. 39.] LEGATION OF THE UNITED STATES,
Lima, Peru, July 23, 1879. (Received August 15.)

SIR: I have the honor to inclose copy of my letter of this date to Mr. Merriam, our consul at Iquique, together with an extract of the letter of the consul to me of July 10 (his No. 38), in reference to the right of the Chilian fleet to prevent the shipping of nitrates from Pisagua.

As to the circumstances going to show whether the blockade of Iquique had been raised, you will find them stated with substantial accuracy in my dispatch No. 34 (July 15), except that I inadvertently, in that dispatch, stated the date of the transaction as the 12th when it was in fact the 10th of the present month; and I ask that the correction be made in that dispatch.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 39.]

Mr. Christiancy to Mr. Merriam.

LEGATION OF THE UNITED STATES,
Lima, Peru, July 23, 1879.

SIR: Your two notes of the 10th instant (Nos. 38 and 39) received.

As to the blockade, you are undoubtedly right in your conclusion (stated in your No. 39) that, upon the facts stated by you, and as appears by all the accounts I have seen, the blockade has not been raised. The whole proceeding must be treated rather as an unsuccessful attempt to raise it.

As to the other matter mentioned in your No. 38, the question of the right of the Chilian fleets to prevent the loading of nitrates at Pisagua, I will say that I do not think those nitrates, considered with reference to their agricultural use and their destination to European ports, can be treated as contraband of war, properly so called; and if the nitrate-beds are owned by individuals and worked on their account only, I do not think the Chilian fleet could lawfully prevent such commerce by neutral vessels in any other way than by establishing an effectual blockade of the port.

But if the nitrate-beds are owned or worked or the nitrate shipped on the part of the Peruvian Government, so that the proceeds or part of them go into the Peruvian treasury, then I am inclined to think the Chilian fleet has, under the laws of war, a right to stop that commerce if they can, and to use any means for that purpose properly calculated to reach the end, such as preventing the loading of vessels or destroying any of the works or lighters used in loading, after having notified the neutral vessels to leave or cease to load. Nevertheless, should such a course be attempted by the Chilian fleet towards the American vessels, it might be well for you to protest in

due form against such proceeding, so as to save any rights which American shipowners or American citizens engaged in that commerce may in the end be found to have. Such protests can do no harm, and it is better in such circumstances to err by claiming too much than too little.

I am, &c.,

I. P. CHRISTIANCY.

J. W. MERRIAM, Esq.,
United States Consul, Iquique.

[Inclosure 2 in No. 39.—Extract of letter from United States consul at Iquique of July 10, 1879.]

As the mail closes in a few minutes, I have only time to add that I have just been informed that Commander Simpson, of the Lord Cochrane, verbally notified the captain of the American brig Mary Greenwood, on the 1st instant, at Pisagua, where she is taking in a cargo of nitrate of soda for the United States, that she will not be allowed to continue loading after the 15th instant, and that if he finds her in port after that date he will take her to a Chilian port and confiscate her cargo.

It is said that the Chilian commander would not give any written order, and that he inquired particularly as to whether the Peruvian Government was the owner of the nitrate, and that the captain would only reply that he was chartered by Grace Bros., of Callao, and that he was ignorant of the ownership of the cargo.

I am waiting for an official statement of the facts from the agent of the Peruvian Nitrate Company, before taking action in the matter, and am also endeavoring to find out whether nitrate of soda can be considered contraband of war.

I shall keep you informed on the subject.

No. 174.

Mr. Tracy to Mr. Evarts

[Translation.]

LEGATION OF PERU,
New York, July 24, 1879. (Received July 25.)

SIR: I take the liberty to call your excellency's attention to a matter which is of vital importance to the interests of Peru, and which likewise affects, in no small degree, those of the commerce of this country. I refer to the interruption of free transit across the Isthmus of Panama of materials which are recognized by the Government of the United States as being articles of lawful commerce.

I do not doubt that the consular officers of this republic on the isthmus, and the representatives of the Panama Railroad Company, as also perhaps more than one of the commercial houses of this country whose interests are jeopardized by the decision of the Government of the State of Panama of the 26th of June last, have laid before your department such protests as they have considered proper and necessary. Notwithstanding that, I must not remain silent when a question is at stake whose decision is now of transcendental importance to Peru.

The Government of Panama having consulted the federal government of the United States of Colombia with regard to the transportation of arms and other elements of war *via* the railway across the isthmus, the executive branch of the Government of Colombia, under date of the 2d of June last, rendered, through the secretary of the interior and of foreign affairs, the decision which I inclose to your excellency. It is taken from the Panama Star, and is marked A.

This decision, which is worthy of the government of a nation that

respects its treaty stipulations and the principles of international law, appears to have been misinterpreted by the government of the States to which it was addressed, that it might serve as a guide for that government's actions, as your excellency will see by the decision published on the 26th of June last by the said government, a copy of which I inclose, which is also taken from the Panama Star, and marked B.

The decree of the federal government states that the Panama Railway has been declared to be an absolutely free highway for the commerce of the world, with exoneration from the duty of inquiring into the origin, nature, and destination of the goods passing over it; and it only prohibits citizens of Colombia from carrying on a direct trade in articles of war with the belligerents, whereas the decision of the State government absolutely prohibits native citizens and foreigners from shipping munitions of war to the belligerent nations, and refuses to grant them the right of forwarding such articles to neutral ports without previously furnishing security to the satisfaction of the Government of the State of Panama.

A perusal of these two decisions is sufficient to show how contrary to the intentions of the Federal Government of Colombia has been the action of the President of the State of Panama, who being actuated, as is to be hoped, by the most sincere desire to observe a strict neutrality, has nevertheless succeeded in dealing a blow to the allied republics whose consequences it is difficult to foresee. To obstruct the passage across the isthmus is to deprive us of the only means that we now have to procure the articles which we most need, while our enemies have Cape Horn and the Straits of Magellan for all that they require; and it is an act on the part of the Government of the State of Panama in favor of the republic of Chili, which can only be considered as a violation of all neutrality.

The minister of Peru who is accredited at Bogota will present to the Government of the Colombian Union the energetic protest which is deserved by a decision of the character of the one to which I refer, and I do not doubt that that enlightened government will hasten to issue such orders as it may deem suitable to remedy, so far as possible, the injuries that have been occasioned by the action of the Government of the State of Panama.

For my own part I feel that I should be wanting in the performance of my duty, and that I should render myself liable to the well-deserved censure of the government that has honored me by appointing me to the office which I now hold, if I failed to call your excellency's attention to this matter, protesting, as I hereby do protest, in the name of the republic of Peru, against this interruption of free transit across the Isthmus of Panama; not doubting that the Government of the United States will find means to protect its numerous citizens who, dealing in goods which are recognized as articles of lawful commerce, are now embarrassed and threatened with grave injury on account of the causes to which I have adverted; and by the mere act of protecting the interests of your citizens, your excellency will, at the same time, render a service to the allied republics, without violating the neutrality which it is proper for you to observe towards the belligerents. Peru will appreciate this as a fresh evidence of the friendship and good will which have so often been manifested towards her by this government.

The undersigned chargé d'affaires has the honor, &c.

JOSÉ CARLOS TRACY.

[Inclosure No. 1.—Translation.]

Resolution of the national government.

UNITED STATES OF COLOMBIA—SOVEREIGN STATE OF PANAMA—EXECUTIVE POWER—OFFICE OF THE SECRETARY OF STATE IN THE DEPARTMENT OF GOVERNMENT—SUBDEPARTMENT OF NATIONAL AFFAIRS.

PANAMA, *June* 20, 1879.

SIR: In a telegram dated the 10th instant, at Bogota, the minister of foreign affairs transcribes the subjoined resolutions, dictated on the 2d of the same month by the executive power of the union:

"In view of the appeal made by the government of the state of Panama as to the transit of arms and other war material over the Colombian Interoceanic Railway, with presumed and probable destination to the republics of the Pacific, whose friendly relations have unfortunately been broken, it is considered—

"1st. The railway between the Atlantic and Pacific Oceans has been declared by the Colombian Government to be an absolutely free highway for universal commerce, which freedom implies the exoneration from duty of inquiring into the origin, class, or destination of goods passing over it.

"2d. There being no custom houses at the ports of Colon and Panama, the surveillance of goods passing over the transit as proposed is indispensable, but would be manifestly inconvenient and defective.

"3d. On this supposition, it would be necessary to allow the transit of war materials as articles of commerce, provided they were manifestly under destination to neutral ports of any of the republics on the coast of the Pacific which might originate a traffic which would for the moment favor either of the belligerents.

"4th. The republics of Chili, Peru, and Bolivia being at war, the policy of Colombia, as a neutral power, should be made known to the agents of the government, and consequently it is resolved—

"(*a*) The Panama Railroad shall serve for the transit of universal commerce, without any limitation whatever as to the origin, class, or destination of the goods.

"(*b*) The transit of troops of any of the belligerents shall not be permitted through the territory of the union, nor the storage within its ports of booty or reprisals, whose capture shall not have been perfected before their arrival in its waters; nor the landing of prisoners, except to restore them to liberty.

"(*c*) It is not lawful for citizens of Colombia to trade with the belligerents in arms, munitions of war, ships, or other elements immediately applicable to the uses or purposes of war.

"(*d*) The shipment of salt, water, provisions, and all kinds of merchandise of lawful commerce destined to the countries at war, shall be allowed at Colombian ports, provided they are not forwarded to blockaded ports or intended to supply the war ships of any of the belligerents.

"(*e*) It is absolutely forbidden to aid the belligerents with troops, or allow their ships to be stationed at Colombian gulfs, bays, or inlets, for the purpose of watching the enemy's ships or of sending boats to capture them.

"(*f*) In cases of doubt the agents of the government shall be guided by the stipulations of existing treaties celebrated by the republic; and in the absence of these, by the rules of international law."

I have the honor of transcribing the foregoing for your knowledge and guidance.

I am, sir, your obedient servant,

JOSÉ MARIA ALEMAN.

[Inclosure No. 2.—Translation.]

Resolution of the state government.

RESOLUTION.

OFFICE OF THE EXECUTIVE POWER,
Panama, June 26, 1879.

In view of the communication addressed, June 23, by the consul of Chili in this port, and in view of the resolutions dictated, on the 2nd instant, by the federal executive power, and communicated to the government of the state of Panama, in a note from the secretary of the interior and foreign relations dated the 5th instant, No. 65, section 1, and containing prescriptions relative to the neutrality which this republic is bound to observe, in accordance with public treaties and international law, in the

war which has broken out between the republic of Chili and those of Peru and Bolivia, and considering:

1st. The republic of the United States of Colombia, friendly to the belligerent nations, must maintain strict neutrality in the struggle between them, and which American hearts deprecate;

2d. That neutrality consists in favoring neither belligerent to the prejudice of the other, thus preserving cordial relations with both of them;

3d. That the rules relative to the internal strife in the nations bordering upon Colombia, and which are comprised in federal law No. 22, of 1871, relating to frontier regulations, are equally applicable in cases of international war;

4th. That the executive power of the union has decided it to be unlawful for the citizens of Colombia to trade directly with the belligerents in arms, munitions of war, ships, and other elements immediately applicable to the purposes of war, which prohibition naturally extends to foreigners domiciled in the country, and to all mercantile operations in such elements, and with such destination within the territory of the republic;

5th. That the executive power of the union has expressly declared that it is lawful only to ship salt, water, provisions, and all kinds of merchandise of *lawful commerce*, destined to the countries at war, provided they be not forwarded to blockaded ports, to supply the war vessels of either of the belligerents;

It is resolved—

1st. It is absolutely forbidden to ship at this port, under destination to ports of either belligerent on the coast of the Pacific, canons, arms, munitions, and other articles considered as contraband of war.

2d. The shipment of articles mentioned in the preceding clause, with destination to the ports of the non-belligerent countries, shall be allowed, provided the shippers guarantee in a satisfactory form that such articles shall be landed at the port or ports to which they are destined according to the respective declarations.

3d. Let the foregoing be communicated by the executive power of the Union to the superintendent of the Panama Railroad Company, and to the inspector of this port, and let it be published.

JERARDO ORTEGA.

The secretary of the government.

JOSÉ MARIA ALEMAN.

No. 175.

Mr. Christiancy to Mr. Evarts.

No. 41.] LEGATION OF THE UNITED STATES,
Lima, Peru, July 30, 1879. (Received August 22.)

SIR: I have the honor to inclose to you, 1st, the letter of Mr. Merriam, our consul at Iquique, of the 17th instant; 2d, extract from his letter of the 21st instant; and, 3d, a copy of my answer to those letters.

I also inclose copies of the correspondence between the consul, as dean of the consular corps, and the Chilian admiral, in reference to the bombardment of Iquique, first in Spanish and second by translation.

This correspondence, as well as that between the consul and myself, will explain itself.

I am, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 41.]

Mr. Merriam to Mr. Christiancy.

CONSULATE OF THE UNITED STATES,
Iquique, July 17, 1879.

SIR: I have the honor to inform you that the Chilian fleet bombarded this town last night between the hours of half-past seven and half-past nine, having fired in all forty shots.

This act of barbarism was committed without previous notice upon a town containing thousands of defenseless inhabitants, including women and children, of whom some of the latter fell victims to the murderous assault. The exact number of casualties is not known at the hour of writing, but it is thought to be small. Two of the national guards were killed outright. A shot struck the custom-house, passing through one of the windows of a room where a few minutes before the Chilian officers, prisoners of war, were confined. It then burst, passed up through the ceiling into the room above, where a group of Peruvian officers were seated, slightly wounding three of them, and finally passed through the southern side of the custom-house. Other buildings in different parts of the town were also seriously damaged, and one, at least, completely destroyed. Among those damaged may be mentioned the dwelling-house attached to the gas-works, and the buildings and large tank of the Arica Water Company, the property of English citizens.

The mutilated remains of two small children have been found in the outskirts of the town.

As dean of the consular corps, I have called the body together to meet at twelve o'clock to-day, to take action in the premises, to protest against the act of barbarism, and if possible secure immunity against its repetition.

As the mail is about to close, I have not time to send a dispatch to the Department, and would be greatly obliged to you if you would embody in one of your dispatches the fact of the bombardment. If we had had a foreign man-of-war in port, I do not think that the scandalous event would have happened.

J. W. MERRIAM.

[Inclosure 2 in No. 41.—Extract of letter from J. W. Merriam, United States consul at Iquique, July 21, 1879.]

To the last note of the consular corps of the 19th instant, no answer has as yet been received. The absence of the signature of the French vice-consul on the protest and on the subsequent note is explained by the temporary absence from town of that gentleman.

With reference to the assertion of Admiral Williams that torpedoes were employed against one of the vessels of his command on the night of the 8th instant, and also against the Blanco Encalada, on the night of the 16th instant, I will state that General Buendia has most solemnly assured me that on neither of these occasions, nor on any other, have torpedoes been employed against the Chilian vessels in Iquique. We, as members of the consular corps, did not feel it incumbent upon us to deny the truth of the statement of the Chilian admiral on this point, for no assertion of ours would be taken as evidence in a matter in which we cannot be considered competent witnesses; you will also observe that, in the only allusion which we have made to the charge referred to, we have made use of a saving clause, which shows that we do not concede the fact of the employment of this weapon.

On the points of law which we have tried to make, I should be very glad of your opinion, and particularly as to whether the Chilian commander is not bound, by principles of international law and by the usage of civilized nations, to give sufficient notice of his intention to bombard, to allow neutrals and other non-combatants to leave the town, no matter what provocation he may think he has for resorting to this extreme measure.

With reference to Admiral Williams's statement that, from humane motives, he directed that the shots should be fired at a great elevation, it is difficult to understand why, if he was actuated by such humane sentiments, he should have fired at all, or, at least why he should have expended more than forty shots, a large number of 250 and 300 pounds, upon a defenseless town, and at night, and still at such a low elevation as to cause destruction of property and loss of life in various parts of the town.

Moreover, the most convincing proof of all that his intention was to destroy the town is to be found in the fact that many of the missiles were filled with explosive substances, which only failed to set fire to the town from the fact that the wooden walls of the houses, from their thinness, did not afford sufficient resistance to cause their explosion. Several of these shells were picked up in a perfect state and carried to General Buendia, who caused them to be carefully emptied, and found them to contain, among other things, resin and sulphur.

I cannot doubt that this act of vandalism will be condemned by the civilized world, and although I fear that an offer of mediation would not be accepted by Chili, still I cannot help expressing an earnest wish that the friendly intervention of the United States might be accepted and thus put an end to this war of aggression and conquest, for which Chili alone should be held responsible.

[Inclosure 3 in No. 41.]

Mr. Christiancy to Mr. Merriam.

LEGATION OF THE UNITED STATES,
Lima, Peru, July 30, 1879.

SIR: Your two letters of July 17 and 21 (Nos. 40 and 41) received. I shall write to the Department to-day giving the information contained in those letters, with extracts from them.

I will only say here that you did well in placing your protest upon the distinct ground of the assurances given by the admiral to the consular corps on the 6th of April, which, being public and known to the people of the town, they (as well as the consular corps) had a right to rely upon those assurances. If no such assurances had been given, the case would have been very different. This town being occupied by, if not the headquarters of, the military forces of Peru and Bolivia, the Chilian fleet undoubtedly had the right to attack and even to destroy the town itself, according to the laws of war. And such occupancy by the military forces of the allies might itself be looked upon as notice to the inhabitants that if they continued to reside in it, they must do so subject to all the risks of war; and that among these risks is that of a bombardment, and though, even without the assurances of the 6th of April, humanity might dictate that a notice should be given before opening fire, so that the peaceable inhabitants might fly from the danger, yet this would not have been imperative according to the laws of war. But the attacking party must be allowed a liberal discretion in judging of the exigencies which justify the omission of such notice.

The case is quite different from what it would have been it the town had not been held or controlled by the military forces of the allies, and had been occupied by peaceable inhabitants only.

And in the present case what I have said of the inhabitants applies equally to the people of other (and neutral) nations there residing and to their property. By continuing their residence in such a place under such circumstances, they all equally assume all the risks incident to the situation, and the attacking party are not bound to make (and practically could very seldom make) any discrimination.

It is, therefore, the violation by the admiral of the assurances he had given on the 6th of April, which alone can be held to have constituted the bombardment without notice an act of vandalism, and a violation of the laws of honorable warfare. And the merits of the question must depend upon the validity or sufficiency of the excuse which he alleges, the attempt to use torpedoes against his vessels. Opinions might differ as to the validity of this excuse, if true. For myself I should not consider it a valid excuse for the neglect to give *any* notice; but if the excuse which he alleges had no existence *in fact*, then I think all would agree that the admiral had violated the rules of honorable warfare, unless he was himself deceived as to the facts; and in this view I regret that you did not in your note to him of July 19 either deny, upon information and belief, the use of torpedoes as alleged by him, or protest that you were ignorant of the facts so that you could not be held to have admitted it, as I fear will now be held to be the effect of the correspondence when taken together. But this effect will be removed if hereafter it should be made clearly to appear that the excuse alleged did not exist in fact.

I. P. CHRISTIANCY.

J. W. MERRIAM, Esq.,
United States Consul, Iquique.

[Inclosure 4 in No. 41.—Translation.]

The Consular Officers at Iquique to Commander Rebolledo.

[From the South Pacific Times, Callao, Tuesday, July 29, 1879.]

IQUIQUE, *July* 17, 1879.

SIR: We have not forgotten the distinct declarations that your honor was pleased to make on the 6th of April to the delegates of the consular corps, and, in view of the confidence which those declarations merited from us, we could never have imagined that events would happen in direct contradiction to the guarantees spontaneously offered by your honor.

Contrary to all our expectations, last night, for the space of two hours, for motives that we fail to understand, and without prior warning as required by international law, the vessels under your honor's command threw a considerable number of cannon-shots into this town with disastrous effects, various defenseless people, old men,

women, and children, and several neutral persons having been killed, and some private property belonging to foreigners, of whom, as your honor must be aware, the majority of the inhabitants of this town is composed, destroyed.

The protection of the lives and interests of our respective countrymen being encharged to us, in fulfillment of the duties of our trust, at a special meeting we have unanimously resolved to protest, as in due form we hereby do protest, against the bombardment of last night as unjustifiable and contrary to the most sacred and current practices of international law, and throw the responsibility of the consequences to which this act may lead upon your honor.

We remain, &c.,

J. W. MERRIAM,
Consul of the United States of America, and senior member of the Consular Corps.
MARCOS F. AGUIRRE,
Ecuadorian Consul.
JUDALECIO GOMEZ,
Consul of the Argentine Republic.
HERMAN J. SCHMIDT,
Consul of the Austrian-Hungarian Monarchy and Acting Consul of the German Empire.
M. JEWELL,
Acting Vice-Consul of Her Britannic Majesty.
HUGO ROSSI,
Consular Agent for Italy.

To the COMMANDER-IN-CHIEF *of the Chilian fleet in this harbor.*

Commander Rebolledo to the Consular Officers at Iquique.

ON BOARD OF THE IRON-CLAD BLANCO ENCALADA,
Iquique, July 17, 1879.

Mr. CONSUL: I have had the honor of receiving the protest-note of the consular corps resident in this port, and shall lay same before my government by the first opportunity.

In the mean time I consider it right to assure your honor that I do not deny the fact of my having offered the consular corps that, in the event of the circumstances of war obliging me to bombard this place, I would, with due anticipation, notify the consular corps of same, for the personal safety and interests of their countrymen. And I possess the satisfaction, Mr. Consul, of having acted strictly in accordance with my promise, in spite of the hostile acts of the military forces on shore, practiced against the corvette Esmeralda, during the first naval engagement, and the attempted destruction of one of the ships of the fleet under my command, by means of a torpedo, on the night of the 8th instant.

The repetition, however, last night of the latter act against my flag-ship, authorized me, in fact, to destroy the town; but, even then, and solely in obedience to sentiments of humanity, I gave orders that the shots should be fired high, as your honor must have observed.

I deplore the loss of lives of defenseless persons which your honor assures me has occurred; but your honor cannot be ignorant of the fact that the successful exit of the torpedo scheme would have destroyed the lives of numberless persons also defenseless against this treacherous arm of warfare.

Up to the present, the war in which we are engaged has been, for our part, carried on with entire good faith; your honor can assure your countrymen of this, and add that it will be continued in the same way, so long as the enemy do not employ arms of the above kind.

Finally, I must beg to remind your honor that this town, to-day the headquarters of the army, with its fortifications and defenses, has become a military stronghold, and its inhabitants are therefore subject to all the fortunes of war, for which reason I am sincerely sorry that neutral citizens, and very particularly your honor and the other members of the consular corps, over which you so worthily preside, still remain in the town.

With sentiments, &c.,

J. WILLIAMS REBOLLEDO.

To the CONSUL OF THE UNITED STATES OF NORTH AMERICA,
and senior member of the Foreign Consular Corps in Iquique.

The Consular Officers at Iquique to Commander Rebolledo.

IQUIQUE, *July* 19, 1879.

SIR: We have read with careful attention the note that your honor has been pleased to address to the senior member of the consular corps in this port, and after meditating upon all the reasons adduced in justification of the bombardment of the night of the 16th instant, and in support of the right to repeat same in future, whenever the hostilities be renewed which your honor asserts have been put into practice against the fleet under your command, we beg to state that on this subject we are of another opinion.

We do not believe that international law authorizes and makes legitimate the destruction of private and neutral property, as a mere measure of reprisal, but only in the distinct and extreme case where the necessity of bringing the war to a speedy termination or of executing some highly important operation make its destruction inevitable. Neither do we think that this open town can be properly termed a fortified place; but however this may be, and leaving the responsibility of future events to whoever incurs same, we beg to inform you that at the same time that your honor makes use of the power in your hands, after the manner and way in which you may think fit, your honor will be pleased to remember that the same civilized nations which classify a bombardment, when legitimate, as a measure of extreme rigor, stigmatize it as a crime if it is effected without previous warning, however legitimate it may otherwise be.

Trusting in the promise which your honor made us on the 6th of April, indirectly confirmed by the note to which we have the pleasure of replying, we request your honor to be good enough to inform us whether we can assure our respective countrymen that, in the unfortunate event of their lives and properties running the risk of bombardment, this may not happen unawares, but be advised beforehand, according to the practice of civilized nations.

In conclusion, and thanking your honor exceedingly for the interest shown for our personal safety, we hasten to remove the feeling of surprise that our actual presence in this port causes your honor, assuring you that it is explained by the guarantees which your honor gave us; and that the duties of our trusts oblige us to remain where the interests of our countrymen are threatened.

We are, &c.,

J. W. MERRIAM,
Consul of the United States of America, and senior member of the Consular Corps.
MARCOS F. AGUIRRE,
Ecuadorian Consul.
JUDALECIO GOMEZ,
Consul of the Argentine Republic.
HERMAN J. SCHMIDT,
Consul of the Austrian-Hungarian Monarchy and Acting Consul of the German Empire.
M. JEWELL,
Acting Vice-Consul of her Britannic Majesty.
HUGO ROSSI,
Consular Agent for Italy.

To the COMMANDER-IN-CHIEF *of the Chilian fleet in this harbor.*

No. 176.

Mr. Christiancy to Mr. Evarts.

No. 42.] LEGATION OF THE UNITED STATES,
Lima, Peru, July 30, 1879. (Received August 22.)

SIR: The only item of news since my last in reference to the "progress of the war," is this:

The Huascar (the Peruvian turreted iron-clad), after the affair at Iquique, mentioned in my dispatch of the 15th, No. 34, was with the Union, a wooden corvette, dispatched from Arica to the south. They passed around the Chilian fleet blockading Iquique, and went south along the coast of Chili destroying the Chilian launches at Caldera, Carrizal, Huasco, and Pan de Azucar, and on the 25th instant returned

to Arica, bringing in as prizes three sailing vessels laden with coal and copper, and also the large steamer Rimac (formerly running from Valparaiso to Callao, but now used as a Chilian transport), with a whole regiment of Chilian cavalry, fully armed and equipped, and five hundred horses. The privates of this regiment remain prisoners at Arica. The officers were brought here as prisoners last evening. In the mean time the Chilian iron-clads Cochrane and Blanco Encalada seem to be of no use except in the blockade of Iquique.

I have, &c.,

I. P. CHRISTIANCY.

No. 177.

Mr. Christiancy to Mr. Evarts.

No. 46.] LEGATION OF THE UNITED STATES,
Lima, Peru, August 5, 1879. (Received September 4.)

SIR: I have the honor to inform you that President Prado telegraphs from Iquique that the Chilian fleet has voluntarily raised the blockade of that port, and by a subsequent dispatch he says they are at present in Antofagasta.

I have, &c.,

I. P. CHRISTIANCY.

No. 178.

Mr. Evarts to Mr. Christiancy.

No. 29.] DEPARTMENT OF STATE,
Washington, August 8, 1879.

SIR: I have to acknowledge the receipt of your dispatch No. 34, in regard to the blockade of the port of Iquique, Peru.

Your comments upon the subject have been attentively read and considered, and the view formed by you, as communicated in the dispatch concerning the maintenance of the blockade, is concurred in. Your proceedings thus far respecting it seem to be tempered with wisdom and discretion, and meet with approval. If at any time the blockade proves to be ineffectual, and any combined action be taken by the diplomatic corps at Lima judiciously declaring it inoperative, you will promptly unite in the same. The Department in this matter feels that it can place full confidence in your able judgment and long and ripened experience.

I am, &c.,

WM. M. EVARTS.

No. 179.

Mr. Evarts to Mr. Christiancy.

No. 30.] DEPARTMENT OF STATE,
Washington, August 8, 1879.

SIR: I transmit herewith for your information copy of a dispatch * from Mr. Ernest Dichman, United States minister resident at Bogota, recit-

* For inclosure see inclosure to document No. 5. *ante.*

ing the causes which have prompted Colombia to proffer mediation for the settlement of the war between Chili, Peru, and Bolivia, announcing the appointment of Dr. Arosemena, the former secretary of foreign relations of Colombia, to visit Lima, La Paz, and Santiago on a special mission for the purpose of tendering such mediation.

Although abstaining from any direct indorsement of, or co-operation in, this apparently laudable effort of Colombia in the interest of peace and reconcilation, this government, which feels lively solicitude for the prosperity and tranquillity of the South American States, cannot but watch Dr. Arosemena's mission with especial attention. In personal intercourse with the doctor, when he visits Lima, you will probably find a fitting occasion to express to him the warm interest taken by the United States in this tentative step, and the friendly solicitude of this government as to the result.

I am, &c.,

WM. M. EVARTS.

No. 180.

Mr. Christiancy to Mr. Evarts.

(Private and confidential.)

LEGATION OF THE UNITED STATES,
Lima, Peru, August 12, 1879. (Received September 4.)

SIR: I inclose a translation of an article which appears in the Comercio (a leading paper published in Lima) of the 7th instant. I have little comment to make upon it, except to say that, after making due allowance for the habitual tendency of the newspaper press to draw false inferences and even to misrepresent facts, I am not without some apprehension from what I saw of Mr. Pettis here and what I heard from his conversation with others, and his anxious inquiries of my clerk (who speaks Spanish) what the newspapers said of him, that his conversation and conduct in Arica and Pisagua may have justified the honest belief on the part of newspaper men and the public in general that he was, in fact, charged with a special and very important mission to the Governments of Peru, Bolivia, and Chili, and authorized to represent the Government of the United States in all these countries. I do not mean to say that I believe he so *expressly* stated, but that, from his general conversation, hints, professions, and manner, he may have left many of his hearers under an honest impression of this kind. Perhaps all this may do no harm, though it may tend less to sustain the dignity of our country abroad than to gratify personal vanity.

But though I have not made and do not propose to make any intimation to the government here upon this matter, they are not likely to be misled, as Mr. Pettis made no pretensions to them of any such authority, nor do I suppose he has done so to the cabinet of Bolivia or that of Chili.

Of course I do not interfere with the newspaper press here, nor make to them any suggestions upon this or any other subject. But on being inquired of the other day by a representative of the Lima paper known as the Patria, whether Mr. Pettis had any such mission from our government, as stated by the Pisagua paper, I felt bound to say that I was entirely ignorant of his having such a mission; that I knew he was de-

sirous of bringing about a peace between the three republics, and supposed he had gone south with a hope of contributing something to that end; and that I hoped he would be successful. I left the newspaper man to draw his own inferences; and the next day there appeared in his paper an article in which, after quoting the article from the Comercio, with the extract from the Pisagua paper (which I send you), the writer makes the remarks of which I send you the inclosed translation. (Inclosure No. 2.)

For myself, I think it important that no representative of our government should do anything to raise, even in the popular mind here, hopes or expectations not to be realized, nor attempt to commit our government to any course of action, without instructions from the State Department; unless, indeed, it be upon some point upon which he has a right, under the circumstances, to take for granted that our government would approve the action taken, and for this the case must be *very clear*. In this view I wish to qualify the statement made in my dispatch No. 36 (near the close), in which I say that "should Chili make such a proposition" (I should) "venture to meet the United States ministers to Bolivia and Chili at Mollendo for the purpose indicated," &c. I made no such promise to Mr. Pettis, nor was the matter discussed between us, and it occurs to me, on reflection, that if any action of the United States ministers should be in any way dependent upon the United States Government or any of its departments becoming arbitrator between any of these republics, the ministers of the United States have no right to take it for granted, without previous instructions, that our government would accept the position of arbitrator.

If the efforts of neutral nations to restore peace between republics should prove to be a mere farce, I object to making our government play the part of chief harlequin in such a farce.

I have the honor, &c.,

I. P. CHRISTIANCY.

[Inclosure No. 1.—Translated from El Comercio, August 7, 1879.]

THE UNITED STATES AND THE WAR.

Through a private letter from Arica of the 2d of August, we receive the following information:

On the 23d the North American minister who comes on a special mission to the three republics arrived here, and as that same day General Daza had gone to Pisagua, the minister could only have an interview with General Prado, with whom he remained in conference during two hours, without it being possible for us to arrive at the result of the interview.

The minister continued his voyage to Pisagua where he met General Daza, as you will see from the inclosed cutting from a newspaper, and lastly he left for Chili, where he will arrive on the 28th or 29th.

The Pisagua paper cutting referred to is dated the 24th of July, and reads as follows:

"The illustrious General Daza received a telegram informing him that the minister from the United States of America to the Governments of Bolivia, Peru, and Chili, Mr. Newton Pettis, had arrived at Arica just as the Pilcomayo was leaving the port, and that he had business of high importance for which he had to consult with the chief of Bolivian Republic, and the latter resolved to await the steamer of the next day to please the minister. And, as was expected, at eight o'clock this morning he arrived in this bay, where he was received by the body of aids-de-camp of General Daza.

A private interview took place and as we believe it would be an obstruction to the interests of the belligerents, we cannot publish the result of it, more so as we have not been able to learn it in its details, but we are led to believe that very complicated interests are at stake, that General Daza has directed them towards the welfare of his country and that of the republic to which he is united by treaties."

[Inclosure No. 2.—Translation from La Patria, August 8, 1879.]

* * * Without pretending to assert, we believe that there is more illusion than reality in all that is asserted in reference to the said interview.

First. It is inconceivable that the Government of the United States would especially commission its consul-general and minister resident in La Paz for negotiations that it could intrust to its Plenipotentiaries Christiancy and Osborn, residing now in Lima and Santiago, they being in constant communication with their government, and held in the highest esteem.

Mr. Pettis, residing in Bolivia, was doubtless not the best qualified to treat with Generals Prado and Daza, and we doubt that it would occur to the government at Washington to seek in a consul-general what would be easily obtained of its envoys extraordinary.

Besides, we have motives for believing that Mr. Pettis has no official mission, and, what is more, the United States legation at Lima has no knowledge of the mission that El Comercio believes that gentleman to be fulfilling in his interviews with the generals of the allied army.

No. 181.

Mr. Seward to Mr. Christiancy.

No. 32.] DEPARTMENT OF STATE,
Washington, August 18, 1879.

SIR: I have to acknowledge the receipt of your dispatch No. 37, of the 22d ultimo, upon the subject of the recent visit to you of Col. H. N. Fisher, who was the bearer of certain dispatches from this Department to you.

The discretion displayed by you in your conversation with Colonel Fisher in regard to the existing difficulties between Peru and Chili is commended. Colonel Fisher, though holding an official position under the Chilian Government, is an American citizen, and is deeply interested in the general desire to bring about a peace. He has no official connection with this government, but having recently visited Washington was informed of the desire of the United States Government to lend its good offices towards the accomplishment of that object when it should be probable that such a step would be welcome to both belligerents.

It is probable that Colonel Fisher takes advices from the new Chilian minister here to his government, but upon this point the Department has no positive information.

I am, &c.,

F. W. SEWARD,
Acting Secretary.

No. 182.

Mr. Seward to Mr. Christiancy.

No. 33.] DEPARTMENT OF STATE,
Washington, August 18, 1879.

SIR: I have to acknowledge the receipt of your dispatch No. 36, of the 20th ultimo, with its inclosures, in regard to hostilities now existing between Peru, Bolivia, and Chili. The Department appreciates the efforts of yourself and colleagues in that quarter to effect permanent peace between the belligerents. Your proceedings and suggestions as to the proper course to be pursued in the accomplishment of this object are approved.

I am, &c.,

F. W. SEWARD,
Acting Secretary.

No. 183.

Mr. Seward to Mr. Christiancy.

No. 34.] DEPARTMENT OF STATE,
Washington, August 18, 1879.

SIR: I have to acknowledge the receipt of your dispatch No. 39, of the 23d ultimo, and its inclosures, having reference to the blockade by the Chilian fleet of the port of Iquique.

In reply I have to state that the instructions given by you to Mr. Merriam in reference to the blockade of that port to American shipping are approved.

I am, &c.,

F. W. SEWARD,
Acting Secretary.

No. 184.

Mr. Seward to Mr Tracy.

DEPARTMENT OF STATE,
Washington, August 19, 1879.

SIR: I have the honor to acknowledge the reception of your note of the 24th ultimo, complaining of the interruption of free transit across the isthmus of Panama, by the government of that state, of arms and munitions of war intended for belligerents, as being a violation of neutrality laws, although such shipment is permitted by Colombia and recognized by the Government of the United States as being articles of lawful commerce. You consequently ask that this government will urge that of Columbia to permit the free transportation of such articles in the future.

In reply I have to inform you that the subject of your note will receive careful consideration.

Accept, sir, &c.,

F. W. SEWARD,
Acting Secretary.

No. 185.

Mr. Tracy to Mr. Evarts.

[Translation.]

LEGATION OF PERU,
New York, August 22, 1879. (Received August 23.)

SIR: I take pleasure in acknowledging the receipt of the communication dated the 19th instant, from the Hon. F. W. Seward, acting Secretary of State, whereby he was pleased to inform me, in reply to the note which I had the honor to address to the Department of State under date of 24th ultimo, that the subject of the interruption of free transit, via the isthmus of Panama, of goods recognized by the government of the United States as being articles of lawful commerce, would receive the most careful consideration of that Department.

I thank you for this information, and, at the same time, I am glad to be able to inform you, for such purposes as may be suitable, that I yesterday received a communication from the consul-general of Peru at Panama, bearing date of the 12th instant, in which he states that the Government of the Colombian Union has disapproved the decision of the President of Panama prohibiting the shipment of arms.

I avail myself, &c.,

JOSÉ CARLOS TRACY.

No. 186.

Mr. Seward to Mr. Christiancy.

No. 36.] DEPARTMENT OF STATE,
Washington, August 25, 1879.

SIR: I have to acknowledge the receipt of your No. 41 of the 30th ultimo, covering correspondence passed between your legation and the consul at Iquique on the subject of the bombardment of that place by the Chilian fleet. Your reply to Mr. Merriam meets with the Department's approval.

The view taken by you in regard to the neglect of the admiral of the Chilian fleet to notify the authorities of Iquique of his intention to bombard the place, in order that non-combatants might retire from danger if they so desire, appears to be fraught with sound reasoning, and is believed to be in accordance with public law.

I am, &c.,

F. W. SEWARD,
Acting Secretary.

No. 187.

Mr. Christiancy to Mr. Evarts.

No. 47.] LEGATION OF THE UNITED STATES,
Lima, Peru, August 26, 1879. (Received September 16.)

SIR: Referring to my dispatch No. 36, I have the honor to state that I have not yet heard anything direct from Judge Pettis as to the result of his mission to Santiago "in the interest of peace," but I received on Saturday last (23d) a confidential letter from Mr. Osborn, our minister to Chili, which satisfies me that there is no present prospect of Chili being willing to make either of the propositions alluded to in my dispatch above cited, nor any proposition based upon the *status quo ante bellum*, and, in fact, that no Chilian ministry would, at present, dare to make such a proposition; not that they would object to the United States as arbitrator, if a practicable basis could be found upon which any arbitration could be proposed. But I presume Mr. Osborn has himself written you fully upon this subject, and I need not say more.

In my opinion neither party will be willing to arbitrate at all until one or the other shall have suffered some serious reverse. But when, and how either is to be able to reach the other so as to try the arbitrament of arms it is not easy to foresee.

In the mean time it is understood here that the government of Ecuador has been tendering its good offices to bring about an accommodation, but without result. And the United States of Colombia some time since accredited Dr. Arosemena (an eminent and accomplished gentleman, standing high in the estimation of all the belligerents) to the three republics of Peru, Bolivia, and Chili, and it is publicly understood here that the special object of his mission is to offer the good offices of his government for the same purpose. He spent some weeks here, and leaves to-morrow for Santiago and La Paz. But under present circumstances, and until the belligerents have tried their strength, I am satisfied his mission will be without result.

A significant circumstances, however, occurred while he was here, tending strongly to show that Peru and Bolivia, at least, look upon the questions involved in the present war as exclusively *American* questions concerning only American *republics*.

A breakfast was given to Dr. Arosemena by members of the Peruvian Government and leading senators and representatives, in which the minister of Bolivia also took an active part. The invitations to foreign ministers were confined to the representatives of American republics. I attended the banquet, and it was impossible to shut my eyes to the fact that our government was on all hands accorded the pre-eminence, and received the highest respect and the warmest expression of esteem and admiration, many of the speakers declaring that the United States of America had presented the model which they sought to follow; and though, as I was compelled to explain, my position imposed upon me the obligation of reserve and of strict neutrality, and I could not venture to decide or even to discuss the question who was in the right or who was in the wrong in the present unhappy conflict, I could assure them that the people and the Government of the United States highly appreciated and keenly sympathized with the efforts which the South American republics had made and were making to follow our example; that we all felt in some degree responsible, and that our credit was in some manner pledged before the world for the success and prosperity or all these republics; yet I would venture to express the hope that while they sought in the main to follow our example, still there was one thing forced upon us by circumstances beyond our control, in which I hoped they would not feel bound to follow our example, and that was the example and calamity of a great civil war; that the conflict now waging here had many of the revolting features of a civil war; it was waged between people of the same national descent, the same language, the same religion, and many of whom were connected by blood and by marriage and the dearest of family ties; that I hoped the time would soon come when the only contest between them should be, which should best cultivate the arts of peace; which should do most for the development of its internal resources and to promote the confraternity of all.

These sentiments were well received, and I believe there is an anxious desire for peace, but each side fears to make the first advance, lest it should be lowering its dignity; and there is much plausibility in this position on the part of Peru and Bolivia, especially the former, as Chili began the war by the seizure of Bolivian territory, and declared the war against Peru while Peru was making an effort to preserve peace.

I do not go into the merits of the question at all. Bolivia may have been in the wrong in the preliminary dispute which led to the war, and Chili may have been right or wrong in declaring the war against Peru, because of the secret treaty of alliance. These are questions only to be decided by the sword or by arbitration.

But on full reflection, I have thought it best to put you in possession of the real feelings of these governments in respect to the question of peace and the best mode of bringing it about, and to enable you to decide whether it is true policy to tender the good offices of the United States to that end, and whether, should a contingency arise in which the parties should be willing to make our government an arbitrator, it would be willing to assume that most unwelcome and responsible position.

I should have written you this fully two weeks since, but my health, which is still feeble, did not permit.

I have, &c.,

I. P. CHRISTIANCY.

P. S.—Since writing the above, I have received from Mr. Pettis a private pencil note, dated Mollendo, August 23, detailing his attempts at negotiation at Santiago, but as he says that he writes fully to the Department on the same day, I need not go into the particulars. I fear his intense desire to effect a peace makes him take too sanguine a view of the prospect. I. P. C.

No. 188.

Mr. Christiancy to Mr. Evarts.

LEGATION OF THE UNITED STATES,
Lima, Peru, September 1, 1879. (Received September 25.)

SIR: I have the honor to inclose to you the copy of a confidential letter from me to Mr. Osborn, our minister to Chili, dated August 29; also a copy of a confidential letter from me to Mr. Pettis, our minister to Bolivia, of same date.

Both these letters are in answer to confidential letters of the respective ministers to me, which, because they are marked confidential, I do not send copies of, though I presume every fact stated in them will be stated in their respective dispatches to you. I have only marked the inclosed letters confidential because their letters to me were so marked.

Probably this letter, with its inclosures, should be treated as confidential, if not entirely unofficial. I therefore do not number it, as of the regular series of dispatches. But it is for you to decide.

I have, &c.

I. P. CHRISTIANCY.

[Inclosure in Mr. Christiancy's dispatch of September 1.]

Mr. Christiancy to Mr. Osborn.

Confidential.] LEGATION OF THE UNITED STATES,
Lima, Peru, August 29, 1879.

DEAR SIR: Your confidential letter of the 11th instant received.

I am not at all disappointed in the result of the self-constituted mission of our friend Judge Pettis to Santiago. I looked upon the whole movement of his as one of very doubtful propriety which I would not have taken the responsibility to make. But he was so confident and enthusiastic that I felt sure no advice of mine would have been taken against making the experiment; and I was myself so anxious to see a restoration of peace between these republics that I wished, and had some vague hope, that he might succeed, with your aid, in getting the Chilian Government to make some proposition which might lead to peace. But I confess I could not see how it was to be brought about, if it depended upon any action of our government, until it had authorized him or you or some one else to pledge it to such action.

My own deliberate opinion is, and I some time since so wrote the Department, that neither party to this war will be willing to make any practicable proposition for arbitration until one or the other shall have suffered some serious calamity, or until the resources of each shall be exhausted in the effort to bring their armies in contact with each other.

I expect, in the course of a week or two, an answer from the Department to some of my dispatches, which answer will probably give us some definite instructions as to the position our government may be willing to take in this matter.

In the mean time, as it seems to me, our whole duty will be discharged by taking advantage of any opportunity which offers to encourage a disposition for an accommodation of some kind.

If anything occurs here showing any change in the government, as to a disposition for peace, I will let you know as promptly as I can. And I hope you will keep me posted as to any change in the disposition of the Chilian Government.

I am, &c.,

I. P. CHRISTIANCY.

P. S.—I shall send a copy of this letter to the Secretary of State, but not a copy of yours to which it is a reply.

I see by some articles in the Chilian papers that the public there seem to understand that Mr. Pettis rather offensively intimated intervention of the United States. I think this must be untrue, because, however the zeal of Mr. Pettis might lead him to express himself in an incautious or imperfect manner, I cannot doubt that your cool judgment must, in such a case, have compelled you to disavow any such intention on the part of our government, unless you had instructions from the State Department which would authorize such an intimation, of which I am utterly ignorant.—I. P. C.

Mr. Christiancy to Mr. Pettis.

Confidential.] LEGATION OF THE UNITED STATES,
Lima, Peru, August 20, 1879.

DEAR SIR: Your two confidential pencil notes, of the 23d and 26th instant, received.

Though I ardently wished you success in your endeavors at Santiago to bring about peace, I cannot say that I am disappointed at the result. The fact is as, I stated to you when here, that the effort for peace was made at the wrong end of the line. Peru was drawn into this war against her will to comply with her treaty with Bolivia; and Chili declared the war, after seizing from Bolivia the territory which by treaty belonged to the latter. Now whether Chili was, upon the whole, right or wrong, it could hardly be expected that Peru, at least, would make the first advance for peace, as she had attempted the same thing before the war and failed. It seemed, therefore, to me that the first step was to learn whether Chili would consent to make a proposition, and, if she would not, all efforts at peace must be useless until the parties had tried their strength in actual conflict, and one or the other party had suffered some serious reverse, or had so utterly exhausted her resources as not to be able to keep an army in the field. But I was so very desirous to see peace restored between these republics that I felt a most ardent desire that you should succeed in your undertaking, though, as I told you, I did not share your confidence in the result.

I have, more than four weeks ago, written fully to the Secretary of State all the considerations which occurred to me bearing upon the policy of our government offering its good offices for adjustment, and expect an answer, in the course of two weeks, which will show the wishes of our government and the position she is willing to take. I am glad you have also written, and as we have not, without orders from the State Department, any right to pledge the action of our government in advance, all we can do in the mean time is to make the most of any circumstances which may occur to foster any disposition for an accommodation. Please write me often and keep me posted *as to facts.*

Your friend,

I. P. CHRISTIANCY.

SEPTEMBER 1.

P. S.—I must take it for granted that what I see in some of the Chilian papers about your having intimated an intention of our government to intervene must be incorrect; because, as I intimated to you here (when I spoke trying to telegraph by way of Panama to the State Department), and as you also must have realized, no minister of the United States can have the right to bind his government to any course of action in any important matter without previous instructions to that effect. And I must take it for granted that in a matter of this kind, involving the interests of nations, you would naturally feel the necessity of great caution, delicacy, and circumspection; and that you have, therefore, done nothing to justify the representations or misrepresentations of the Chili press.

I. P. C.

No. 189.

Mr. Christiancy to Mr. Evarts.

No. 49.] LEGATION OF THE UNITED STATES,
Lima, Peru, September 2, 1879. (Received September 25.)

SIR: I take the liberty of inclosing to you an editorial from El Mercurio, of Valparaiso, of August 14, and another from La Patria, of the same place, of August 15, 1879, together with translations of each.

You will see by these articles what has been the result of the trip (I cannot say *mission*) of Judge Pettis, to Chili; and, making all due allowance for the errors and misrepresentations of the newspaper press, you may, perhaps, form some probable judgment of the effect of his visit to Chili.

I take it for granted that it is not Mr. Osborn who is referred to, who seems, so far as I am informed, to have commanded the respect of the Chilian Government; and, judging from the letters I have received from him, I cannot think he has said anything to justify the articles which I inclose.

Of the manner in which Mr. Pettis has discharged the delicate duties he assumed by his journey to St. Iago, it is not my province to judge, nor do I here express any opinion further than to say that I cannot believe that he *intended* to threaten the Chilian Government with the intervention of the United States, though it is quite possible his zeal may have led him into some loose or inaccurate expressions which might admit of such construction. But, though ignorant of the actual facts, there is some ground to infer from the article in the Mercurio, especially, that there was or had been some apprehension among the people or some party of the people that the government, the President and his Cabinet, or some of them, were willing to place matters *in statu quo ante bellum* as a preliminary to peace, and to refer all questions in dispute to arbitrators, and that these papers, representing the popular or partisan sentiment opposed to such a proceeding, sought to make that idea as odious as possible by representing the United States as threatening intervention.

For myself, I have not dared to venture upon any such dangerous experiment; but whenever inquired of, by those entitled to know, what position the United States Government was disposed to take, I have frankly stated that, while I knew that our government, as a neutral and friendly republic, regretted the present war and would rejoice to see a restoration of peace, yet that I had received no instructions tending to show any disposition to interfere, in any manner, in the contest or with any question in controversy between the belligerents, nor to volunteer, even by advice as to any particular measure for the restoration of peace. That, judging from the past history of our country and the traditional policy of our government, I could discover no ground for supposing that she would attempt to intervene in the contest; and that, without instructions to that effect, I could not even venture to say that she would be willing to tender her good offices to bring about an arrangement, without some assurance that such an offer would be agreeable to all the belligerents.

But I have ventured to say that while I could not speak officially or give any assurance to that effect, yet, as an individual, I would express the opinion that if all the belligerents should, in any proper manner, express the wish that our government should use its good offices to that

end, I thought such a wish might be complied with. But I have been careful, on all occasions, to say that I have received no instructions upon the subject.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 49.—Translation of editorial of the El Mercurio, Valparaiso, August 14, 1879.]

INTERVENTION OF THE YANKEE GOVERNMENT.

We learned yesterday, from a trustworthy source, that the United States plenipotentiary had passed a note to our government intimating, in terms somewhat accentuated, the necessity of putting an end to the conflict in which we are involved.

If this be true, it would be the right time to tell the great North American Republic that she has completely forgotten her own doctrines and practices, intervening in matters which merely and exclusively concern the three belligerents.

If the mentioned intervention is amicably offered, we must thank them for it, but we must also refuse it as imperative.

If, on the contrary, it signifies an incidental threat, as it is said to be, the repulse should be immediate and clear. No matter in which of the two positions we may place ourselves, the result can only be one and the same. And how could it be otherwise when we are in a position which can only allow a solution by the victory of one or the other of the two contestants? By what other road could we attain peace?

Or does the North American Government believe that we could, to please it, or out of fear of its threats, return to Bolivia the territory that by the irresistible force of rights and events has formed again an integral portion of the republic? Impossible!

The Chilian flag that waves there in testimony of national possession and of protection to the powerful interests rooted in that soil cannot be hauled down until the Peru-Bolivian Army succeed in defeating ours. In this way only could it retire; in any other way, never! never!

And with regard to Peru, how would that peace which the Yankee Government offers us stand? Should we leave without revenge the martyrdom of the heroes of the Esmeralda, and without chastising the treacherous attacks in consequence of which more than four hundred Chilians sigh in painful bondage?

To step back without obtaining at least a partial reparation for so many evils and insults to our country would be an indelible stain for Chili; and Chili does not consent, and will never consent while it has a spark of life, to a single spot on its shield.

The Government of the Great Republic knows us little. It judges, perhaps, our dignity by the number of inhabitants, by the scarcity of our national income, by our relative backwardness in comparison with her. But if this is so, she is greatly mistaken, for though poor and backward and lacking the great resources for defense that the great powers possess, we have always shown, since the day of our emancipation, a patriotism able to face all contingencies, a courage in proportion to the intense esteem of our honor.

It is hard to believe that the North American Government that has always looked with the most absolute indifference on the contests of the republics of this continent should to-day want to enforce itself as mediator in a contest perhaps the most justified (it is so understood on our part) of any that have stained with blood the New World. Since when so much humanitarian zeal, after having looked quietly upon the slaughter in all the South American countries except Chili?

Yesterday only did not Misters Yankees see Paraguay perish after a heroical combat against three adversaries, of which the least strong was a thousand times superior to herself? Well! Why then, did they not use their friendly influence or their coercive threat? When the Spanish squadron bombarded Valparaiso the Great Republic had in the bay the formidable "Monnadnok," nevertheless, Admiral Mendez Nuñez proceeded as if he were the absolute master of the seas. Minister Seward would not even listen, in compliment to Neutrality, to the complaints of the Chilian representative, who, in an unhappy moment, believed that the so-celebrated Monroe doctrine extended so far as to protect a feeble country, a victim of a powerful European nation.

Now, then, if the Monroe doctrine could not cross the Isthmus of Panama whilst a poor American country was being chastised by one that had been its master in the bygone times of colonization; why, then, shall we allow to-day, to the principle of intervention, a principle only used against the weak, so violent an interpretation, founded, it may be, on a humanitarian basis or upon financial interests?

If Chili, as the United States Government cannot deny, is a self-governing country, constituted after the same manner as the other free countries are, it becomes clear that any act of a foreign power, no matter which it be, tending to lessen its liberty,

is an unjustifiable act, an insult not to be tolerated. Rights are equal to the whole of the human family. The small and modest Switzerland is as much master of her freedom to punish those that depreciate her as powerful England is. Belgium and Holland are not more or less on this point than France and Germany. If Chili were only like the Republic of Andorra or San Marino, then could the United States or any other European power justify such an intervention as that of which we are speaking. But, fortunately, we are not so unfortunate as to owe to the pity or the contempt of the world the liberty which we enjoy.

We do not, for a single moment, desire to imagine that the government looks upon this matter in another light than we do. Nevertheless it is prudent to advise it that the moment it should show the least weakness the entire country would hold it to a strict account. National honor is not to be trifled with, and it would be precisely the national honor which would be forfeited by acceding to the suggestions of any nation interested in imposing upon us its will.

Chili does not require tutors; she is old enough to be able to know how to govern herself. If the chief of the state does not believe so, he must from to-day believe the contrary, under the penalty of discovering that a Chilian governor must think as the people he governs think.

[Inclosure 2, in No. 49.—Translation of editorial of La Patria, Valparaiso, Aug. 10, 1879.]

A MEDIATION AS ABSURD AS DANGEROUS.

Conjointly with our colleague of this port, we received yesterday the advice that there had been presented to our government, in an imperative manner, a proposed forced mediation, tendered by the great Republic of the United States.

We will ingenuously say the truth; we gave no credit to the news, reserving to ourselves to qualify it as being of the worst character, and, above all, of more evil consequence than many of the false news which every day some people, with wicked designs rather than a spirit of intervention, spread about the streets.

Even to-day, and notwithstanding the honor it has merited from "El Mercurio" by finding place in its columns, we insist upon denying not only its existence but also its verasimilitude. And, in truth, foundation is not lacking in proof of our systematic incredulity.

It is an established fact, as it is opportunely put forth by El Mercurio, that the benevolent intention of the Northern Confederation and the purposes of the Monroe doctrine have never passed the sphere of beautiful theories in favor of any of the Latin-race countries of the South American continent. The Monroe doctrine was invented solely for Saxons and in favor of Saxons.

To the real and indisputable examples set forth in aid of this thesis by El Mercurio we can properly add other examples, if possible, to those already mentioned.

What has the Monroe doctrine done for Cuba? Has Spain not prosecuted with tenacity her implacable war under the nose of the United States? Has the case of the Virginius been forgotten, from on board of which Spain took out, by means of the Tornado, citizens under the protection of the starry flag, shooting them afterwards, notwithstanding the protest of the commander of the vessel?

What did the United States do for Mexico when the Imperial Eagle was making a prey of the heroic and intrepid Puebla? What did it do for Texas? What has it done for the Republics of Central America in their conflicts with Germany and other European Governments? To fold her arms, and if not co-operating, allowing, at least, the realization of the known maxim *la force prime le droit*, or, let us call it, the right of the strong is the only one possible right.

And, besides, by what privileged reason should the United States be the one who should constitute itself the executor of a forced mediation?

We have not ignored the steps taken by Peru in search of a mediating power and of a mediation. We have followed her step by step in her shameful travels through courts and palaces in Europe, from Holland to Germany, and from Paris to London, receiving everywhere as sole answer to her exigencies silence and disdain.

And what she has failed to accomplish until now by diplomacy, always ready for negotiations with those great powers which has been refused to be taken in hand, and that in a collective manner, by the whole of Europe, and this in an amicable and conciliatory manner, should now come as a *ukase*, unprecedented in the history of America and of the world, by the country who was the cradle of Lincoln and Washington?

It is obvious, and the more it is examined the greater becomes the surprise, and greater still the absurdity of the matter which we are treating, obliged by the necessity of evading its doleful propagation in the public spirit and the discouragement which would be the inevitable consequence, if in reality such mediation had existed, or should ever exist.

And how could it be attempted?

Upon this point we could answer nothing that would not be feeble and pale paraphrase of the opinions and patriotic and eloquent judgment given yesterday in the columns of El Mercurio. For this reason we limit ourselves to repeat with him to-day and with the entire country to-morrow: "*The Chilian flag that waves in the Bolivian territory cannot be hauled down* until the Peru-Bolivian army succeed in defeating ours. In this way only could it retire; in any other way, never! never!!"

One thing only we may add to that patriotic oath, and it is, that even the army defeated, Chili, resuscitating the heroic traditions of Paraguay, would perish as a people before suffering the humiliation and ignominy of an obligatory treaty to which a struggle and a combat had not preceded.

Let us not ramble.

The news that occupy us, though its origin is official, is not only official, but is also absurd. How could Señor Pinto, son of the warrior of Ayacucho and Junin, a near relative of Generals Buin and Yungay, deceive himself so much as to the disposition of the country he governs, and to whom he owes glory, fortune having refused him wealth and prosperity, that he should, even for a moment, admit a hearing of such a mediation. How could Señores Varas and Santa Maria, that fought in one time for Chili and in the name of Chili the colossal English power in the celebrated Whitehead question, hear without rebelling sentiments, and without in that moment abdicating their portfolios, the humiliating proposition of the Washington emissary?

We repeat for the thousandth and last time, there is not, there cannot be, there will not exist the mediation of which we speak. If we should be mistaken, if such news became a fact, we say it ingenuously, we believe that the country, rising like a single man, would make a solemn "auto de fé" of the treaty of mediation, and God grant they stop there and do not incur the temptation of feeding the flames with the authors of the idea. For if it is true that people forgive many mistakes after glory has been obtained—for example, in France Henry IV, Louis XIV, and Napoleon—it is equally true that they are implacable with those that lead them foolishly or carelessly to degradation and shame.

No. 190.

Mr. Tracy to Mr. Evarts.

LEGATION OF PERU,
New York, September 4, 1879. (Received September 7.)

SIR: On the 2d of April last, Señor Alejandro Fierro, minister of foreign affairs of Chili, addressed a note to Señor José Antonio de Lavalle, envoy extraordinary and minister plenipotentiary of Peru, declaring that friendly relations between the two countries were terminated, and handing him his passports.

Five months have barely elapsed since the declaration of war, and I would now respectfully call your excellency's attention to the present state of affairs on the Pacific coast of South America, after first, with your permission, furnishing additional evidence that Chili had no foundation upon which to rest her alleged right to take possession of Autofagasta and the nitrate regions of Bolivia.

In the manifest addressed by Señor Manuel Ingoyen, minister of foreign affairs of Peru, on the 1st of May last, to the Governments of the United States and other friendly nations, he showed so clearly, as I believe, that the Chilian Government in taking possession of the Bolivian coast situate between the 23d and 24th parallels of South latitude, under pretended right of *revindication*, had seized what never had belonged to Chili, nor formed any part of her territory, that it seems to me your excellency needs no further proof that Señor Fierro, to say the least, misstated the case when he alleged in the exposition addressed by him in behalf of the Chilian Government to friendly nations, that Chili had exercised dominion and possession of the territory situated between the 23d and 24th degrees of latitude. Nevertheless, feeling assured that the United States Government desires to hear everything

that may fortify the position of Peru, or her ally, the Republic of Bolivia, or make clearer the real merits of the questions that gave rise to the unfortunate war, which, despite all the efforts of Peru to avert it, is now being waged between Chili and Peru and Bolivia, I have the honor of handing to your excellency herewith a pamphlet containing an article translated into English from "La Revista Peruana," in which the question of the boundaries of Chili in Atacama is considered historically, and proving by official documents and the authority of historians and geographers that since the year 1540, until the present day the southern end of the desert of Atacama, or at least the 25th degree of latitude, has always been recognized as the Chilian boundary.

I will not consume your excellency's valuable time by repeating here any portion of the accompanying pamphlet, which I trust will receive your careful attention, but will simply observe that on page 16 it appears that the distinguished and honorable gentleman, who at present represents Chili at Washington, Señor Francisco Tolano Asta-Buruaga, in his "Geographical Dictionary of Chili," published in 1866, fixes the latitude of the "Bay of our Lady," near the Paposo, or Salt River, the northern boundary of Chili, as 25° 2′; and the entire pamphlet shows the said northern boundary as fixed by Chilian writers, and shown on the maps of both ancient and modern geographies, is the Salt or Paposo River, that is latitude 25°; and consequently the course of Chili in taking possession of the Bolivian coast, situate between the 23d and 24th degrees, under the plea of "revindication," has no justification whatever.

And now I ask your excellency to consider the present condition of the two republics.

The principal events of the war have undoubtedly been made known to your excellency by your diplomatic agents in Peru, Bolivia, and Chili, but with your leave I will recapitulate some of them as briefly as may be, and at the same time beg to hand you herewith three copies of the "Peruvian Mail," a paper published in Lima, which will enable you to form an accurate opinion of the existing state of affairs.

In the number of 23d July last it is reported that—

> Señor Lastarria recently created consternation in the Chilian House of Deputies by making the following remarkable statement: "I wish Antofagasta to be ours, and I believe it will be so by the right of conquest, but not on account of our possessing any legal right to it."

On pages 3 and 4 of the same paper, on page 6 of that of 30th, and on page 3 of that of 13th of August, will be found articles showing the dissatisfaction felt in Chili by public men and the press at the conduct of the war.

On pages 4 and 5 of the last-named paper will be found reports of the serious disturbances in Santiago, Chili, on the 30th of July, occasioned by the indignation of the people when the news of the capture of the "Rimac" was made public. The people shouted, "Down with the government!" "Down with the ministry!" An open-air indignation meeting was determined upon, but before it was organized the people were driven away by a squad of grenadiers, sword in hand. Numbers were wounded by the troops employed in preventing the people from exercising the right of meeting, granted them by the constitution. The scene is described as horrible, neither women nor children being spared.

On the fourth page of the Peruvian Mail of 30th July your excellency will see an account of the bombardment of Iquique by the Chilians on the 16th of July, and copies of the warm protest against the same ad-

dressed by the consular corps to Admiral William Rebolledo, and of his reply thereto. The same paper, on the first page, reports the opening of the Peruvian Congress on the 28th of July, by General La Puerta, acting President of the Republic, and gives the address read by his Excellency on that occasion; also a short account of the successful cruise of the Peruvian vessels Huascar and Union to the Chilian coast, during which they captured the Chilian transport Rimac. The Mail of 13th August, on the fourth page, states that a telegram from Arica on the 12th announces the return of the Huascar from another successful trip; and the paper of July 23 on page 7, says: "The government has found itself compelled to issue a decree prohibiting the prefects of departments and other authorities leaving their offices and coming to Lima with volunteers," whilst in Chili there is evidently a disinclination to join the army, and much difficulty experienced in getting the men that are needed. (See extract from La Patria, of Valparaiso, on page 6 of Peruvian Mail of 30th July.)

One more reference to the accompanying papers, and I will not allude to them again. On pages 2 and 3 (July 23) are given copies of a letter addressed on the 16th of June, by Mr. Jewell, esq., Her Britannic Majesty's vice-consul at Iquique, to Her Britannic Majesty's chargé d'affaires at Santiago, with reference to the treatment of Chilian prisoners by the Peruvians, and of another written by the Chilian minister of foreign affairs, Hon. Jorge Huneens on the 27th June, in which he says: "My government notes with pleasure the courtesy and delicacy with which the Peruvian authorities treat the Esmeralda prisoners."

The Huascar, Union, and Pilcomayo in their several expeditions to the Chilian coast, bearing in mind the various attacks of the Chilian fleet on defenseless ports, such as Huanillos, Pabillon de Pica, and others, might have retaliated by firing upon undefended ports in Chili, but they did nothing of the kind, preferring to observe all the forms of civilized warfare and attack none but armed enemies.

The results of the first five months of the war may be summed up briefly. Chili has taken not one step forward. Her ships have withdrawn from Pisaqua and Majillones, with their boats filled with dead and wounded. She has lost the Esmeralda, and allowed herself to be surprised, on the 10th of July, at Iquique by the Huascar. One of her iron-clads pursued a gunboat (the Pilcomayo) for twenty hours in vain. She allowed the capture of a fine transport, (the Rimac), having on board a regiment of cavalry, 250 horses, 800 rifles, forage, &c. She has bombarded defenseless towns, and finally been obliged to raise the blockade of Iquique.

Peru, on the other hand, has sailed her transports at will, despite her enemy's superior navy, from port to port, carrying troops, arms, and provisions. Her ships have made frequent excursions to the Chilian coast, and while respecting non-combatants and undefended places, they have destroyed many launches and other means of loading and discharging vessels at sundry ports; captured numbers of Chilian merchant vessels, with valuable cargoes, destroyed the Esmeralda, taken the Rimac, forced the raising of the blockade of Iquique, and compelled the withdrawal of the enemy's fleet at Antofagasta.

From the foregoing your excellency will understand, I think, the present position of affairs in Peru and Chili. In the former, the government and the people are in full accord. In the latter, serious discontent on the part of the people and press against the government, and bitter charges by influential papers as to the conduct of the war and the true reasons for taking possession of the Bolivian coast.

Finally, appreciating the uncertain issues of all wars, and knowing that reverses may yet befall them, the Peruvian people have no desire to boast over their successes; and thankful to Divine Providence for His gracious aid thus far, and devoutly praying for the continuance of the same, whilst sincerely deploring that the ambitious and selfish course of the Chilian Government should have forced them into this war, they are nevertheless firmly resolved to sustain their government to the utmost of their ability, but always in such a way that their cause and mode of defending it shall win the approval and sympathy of all civilized nations, and especially is it their hope that they may deserve and secure the good-will of the people and Government of these United States, to which end I shall, with your excellency's permission, endeavor to keep you advised of what is going on in Peru and the adjacent republics in all that relates to the war.

I avail myself, &c.,

JOSÉ CARLOS TRACY.

No. 191.

Mr. Hunter to Mr. Tracy.

DEPARTMENT OF STATE,
Washington, September 10, 1879.

SIR: I have the honor to acknowledge the receipt of your note of the 22d ultimo, advising the Department that you had received information that the Government of the Colombian Union had disapproved the decision of the president of Panama prohibiting the shipments of arms.

Accept, sir, &c.,

W. HUNTER,
Acting Secretary.

No. 192.

Mr. Hunter to Mr. Tracy.

DEPARTMENT OF STATE,
Washington, September 10, 1879.

SIR: I have the honor to acknowledge the receipt of your note of the 4th instant, with inclosures calling the attention of this Department to the state of affairs on the Pacific coast of South America, and to assure you in reply that the subject shall be taken into due consideration.

Accept, sir, &c.,

W. HUNTER,
Acting Secretary.

No. 193.

Mr. Christiancy to Mr. Evarts.

No. 53.] LEGATION OF THE UNITED STATES,
Lima, Peru, September 10, 1879. (Received October 6.)

SIR: Referring to your dispatch No. 30, of August 8, I have the honor to state that by reference to my dispatch No. 47, of August 26, you will discover that I had anticipated your wishes, to a considerable extent, in

reference to the mission of Dr. Arosemena; and I will now further say that, judging from your general expressions of regret at the existence of the present war between these republics, I felt myself authorized to say, and did say to Mr. Arosemena, that I wished him entire success in his mission, and could assure him that he might count upon the co-operation of the United States (through their representatives in the three republics) in any reasonable measures to restore peace. He is an intelligent gentleman, speaking English like a native, and in my opinion well qualified for his special mission. He was very reserved as to the considerations or means which he expected to employ to reach the desired results, but did not conceal his anxiety to reach that result.

As yet I know of nothing to change the views expressed by me in my dispatch No. 47, but I am morally certain that both Bolivia and Peru desire to restore peace as soon as possible. Both (I think) fear complications which may arise from the action of other governments in South America, and not less the intervention of foreign governments, the results of which cannot be foreseen, and which are contemplated with serious apprehension. The attempt to secure the co-operation of Ecuador with Chili against Peru and Bolivia is understood in official circles here to have proved not only a failure, but a complete fiasco.

But I am satisfied this government is not without apprehension that the efforts now making by Chili with the the government at Rio Janeiro for an alliance against Peru and Bolivia may succeed, in which event it is not difficult to foresee that a general conflagration throughout the South American continent is a probable if not an inevitable result, as Brazil is much the strongest of all the South American powers, has unsettled questions of boundary with most of them, and is not supposed to be specially interested in the preservation of the neighboring *republics* with which she comes in contact, though it must be confessed that, as yet, she has not shown herself specially aggressive as to most of them.

Such an alliance, therefore, as it seems to me, would keep up a chronic state of warfare in South America for years to come, a result which every friend of humanity and progress must regret. It therefore appears to me that the prosperity and happiness of all these governments is likely to be best secured by preserving present boundaries and not allowing any changes except by the mutual consent of the governments of the adjoining countries.

As to *intervention*, I am satisfied that from whatever quarter it might come it would be equally offensive to any of the three republics, except that one (if any) in whose special interest it might be undertaken. And, yet, judging from the public press, there is supposed to be some ground for a probable belief of a joint intervention of England, France, and Germany. I do not myself share that belief. But should such a step be in contemplation, or should any government seek to intervene, I have satisfied myself that Bolivia and Peru would welcome any efforts of our government to thwart its consummation; and if we can judge from the tone of the Chilian press (copies of which I sent you last week), Chili would be likely to take a similar view. As to a tender of the friendly offices of our government, or a friendly mediation, it could not of course be considered offensive to any of the belligerents; and I am entirely satisfied it would be received in the kindest spirit (at present subject to the conditions mentioned in my dispatches 36 and 47) by Peru and Bolivia, and know of no reason why it should not also by Chili, unless the unfortunate attempt recently made at Santiago in favor of peace may have created some prejudice.

It would be very agreeable to me to receive some general or specific instructions upon these subjects from the Department for the government of my action.

I have, &c.,

I. P. CHRISTIANCY.

No. 194.

Mr. Christiancy to Mr. Evarts.

No. 59.] LEGATION OF THE UNITED STATES,
Lima, Peru, September 17, 1879. (Received October 7.)

SIR: I have the honor to inclose to you a copy of an editorial in the Comercio of this city, of the 13th instant, with a translation of the same, in reference to the supposed mission of Col. H. N. Fisher.

I have no comments to make except to say that, from all I have been able to observe, the effect of Colonel Fisher's action, his ostentatious pretensions, and the public professions which he made of the importance of his pretended mission, have had anything but a good effect along the coast of Peru and Bolivia, the tendency of his conduct along the coast (whatever it may have been in Chili) having been to place the United States in a ridiculous rather than a dignified attitude, and thus to lessen the influence which our government deserved to have and would have had but for his pretensions. I hope these are the only occurrences along this coast which have had such a tendency.

I have further the honor to say that I am glad to see from your dispatch No. 32, in reference to Colonel Fisher, "the desire of the United States government to lend its good offices" to "bring about a peace." And I am rejoiced to see by your dispatch No. 33 that our government is ready to approve any reasonable and judicious action of her ministers in these republics for the restoration of peace.

No action of mine shall be wanting to contribute to so desirable a result. But I still remain of the opinion I have already several times expressed to you, that no efforts of the ministers of the United States to these republics will be of any avail until the belligerents have tried their strength and one of them suffered serious reverses, or until one or all of them have so far exhausted their resources as to be unable to prolong the contest.

In the mean time I have taken the liberty, in a confidential and informal manner (which I deem much the best in the present stage of the case), to inform the minister of foreign affairs that our government is ready to tender its good offices to bring about peace whenever it shall be satisfied that such a course will be agreeable to all the belligerents.

I will further say that, judging from your dispatch No. 33, and mine, No. 36, to which it is an answer, should all the belligerents signify a willingness to accept the arbitration of the United States, or any department or officers thereof, upon any or all the questions in dispute between them, I shall consider myself authorized to pledge our government to accept that position; unless, in the mean time, I shall receive instructions to the contrary. But I would much prefer more direct instructions, and the probability now is there will be ample time to receive them before such action shall become necessary.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure in No. 59.—Translation of editorial from El Comercio, of September 13, 1879.]

Doubts existed in New York as to the truth of the offer made by the Government at Washington to interpose its good offices amongst the republics of the Pacific engaged in the war that Chili has diligently sought and declared without vacillating. One of the reasons upon which these doubts were based was the silence on this subject kept by the Herald, a newspaper which has a service well known to all the world, and whose means of investigation are so efficient that it can know any serious event occurring in the most remote regions, perhaps before and with more precision than those directly interested.

Another cause of these doubts as to the uncertainty of an event that came to the notice of the North American public through Peruvian newspapers was that Mr. Fisher's name, being so little known in the Union, he should have been commissioned to carry the dispatches with which the Washington Government charged its ministers residing in Lima and Santiago to offer its mediation to Peru and Chili. But the doubts were soon dissolved, and the Herald announced that Mr. Horace W. Fisher, a Boston merchant, had been to Washington in June last soliciting an interview with the President and the Secretary of State respecting the commercial relations between the United States and the South American republics; and in consideration of the proposed trip of Mr. Fisher to Chili, he was designated to carry the dispatches that the government of his country had resolved to address to its consuls and ministers in Chili and Peru.

According to the North American press, Mr. Fisher had no other motives to take an interest in the re-establishment of the good relations between Peru and Chili than the desire of favoring the commercial interests between the United States and the republics on the Pacific—interests that affected the personal convenience of the said Mr. Fisher and the possession of several very close relations with the high society of Chili whose statesmen are his personal friends. As it will be seen by the preceding narration there is nothing to be surprised at in the lack of information of the Herald in regard to the mission of Mr. Fisher. It was not officially prepared, and the Washington Government created it and confided it at the instances of the party that undertook it.

The kind of relation existing between Mr. Fisher and the men who, in Chili, are masters of the situation leads us to believe that these are not altogether strangers to the solicitude of the good offices of the United States; and if these offers have not until now had a satisfactory result, it is probably owing to the proposals having been made in a moment in which Chilian pride could not have accepted them without being obliged to suffer a severe blow.

No. 195.

Mr. Christiancy to Mr. Evarts.

No. 61.] LEGATION OF THE UNITED STATES,
Lima, Peru, September 24, 1879. (Received October 15.)

SIR: I have the honor to inclose to you an editorial from the Comercio, of this city, of the 22d instant, in reference to the offer of the good offices of the United States to Peru; also a translation of the same.

This paper is perhaps, properly speaking, the government paper. This editoral is not, however, written by the editor, but I recognize it as from the pen of——, a citizen of the United States, who is the official interpreter for the government and who frequently writes a little for the papers.

You will readily discover that the editoral has two objects; first, to ridicule the course taken by Mr. Pettis and Colonel Fisher; and the second object is to profess an utter indifference whether the good offices of our government shall be tendered or not. This is for effect, especially in Chili, where it seems just now that any interference of our government would be unpopular on the suspicion that it would be in the interest of Bolivia. But I am satisfied beyond any reasonable doubt that both

Peru and Bolivia are very desirous that the United States should interpose their good offices at the first moment when such action would be likely to do good. Both are evidently desirous of peace, and Peru would agree to any reasonable terms satisfactory to Bolivia, in whose behalf she was drawn into the war.

In a long and frank conversation yesterday with the minister of foreign affairs, I again gave him the assurance (mentioned in my dispatch No. 59) that our government was ready to tender its good offices to all the belligerents in behalf of peace whenever there should be good reason to believe that it would be acceptable to all the belligerents. I offered to make this tender formally, and officially, if he preferred; but, like me, he thought best to leave it in this informal shape for the present.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure in No. 61.—Translation of editorial from El Comercio.]

Every now and then there springs up anew in our periodical press the idea that the United States are about to offer their good offices in regard to the war which Chili declared against us and which she is carrying on in such an inglorious manner.

This idea, besides being highly acceptable in itself to all those who see in peace the fount of every blessing, professes also the prestige which is imparted by the name of a nation which enjoys our high estimation, not only for its sentiments towards us, but also for the good judgment, or rather the care it exercises in the choice of the agents it sends as its representatives.

Without giving offense to any one, it may be said that among foreign nations one of those which inspires us with most consideration is the American Union, whose commerce we endeavor to attract by all possible means, and which, in all questions of honor and aspirations for the future, is the one which is naturally looked to by the republics of this continent. Hence the mania of bringing up the subject at every step; hence the everlasting newspaper correspondence from the banks of the Hudson, written by well-intending scribes, about "Anglo-American mediation," but which, when wrung out, do not contain one grain of substance.

It chances, moreover, that one of the Washington diplomatists, who is accredited to Bolivia, undertook to gain for himself the credit of making peace between the belligerents by his own efforts, undertaking, on his own responsibility, journeys to this capital and to Santiago, where he succeeded, in recompense of his laudable Quakerism, in unchaining the wrath of a portion of the press, which alleged, and with it the ignorant people, that he was trying to impose mediation by force, while in Lima, perchance, because all were in his secret, his good will was accepted, as was deserved by the nature of his project, by his intentions and the gentlemanly character of the self-acting messenger of peace.

But neither in Lima nor in Santiago was he asked to show the credentials of his mission, which he did not possess, and he was politely treated for his efforts, without taking advantage of them.

Another peaceful dust was kicked up about the arrival of Colonel Fisher, who was said to be the bearer of dispatches from the White House, concerning mediation in the conflict, by the aid of the three American legations in La Paz, Lima, and Santiago. We did not trouble ourselves here to deny this rumor, since it was a matter of indifference to us, knowing, as we did, that the colonel had no mission from the American Cabinet, and that his journey, even though he was the bearer of dispatches on subjects very different from peace, or intervention had for its object the attainment of private interests, or the satisfaction of renewing in Chili friendship with persons who were then in the high offices, whence they were shortly hurled by the ridicule attending the naval operations of Rebolledo and the loss of vessels attributed to the stupidity of the commander-in-chief of the navy, at Valparaiso.

The fact is, in brief, that neither have the envoys of the Union received, up to date, any powers from their government to offer their good offices, nor have any of the Americans who have tried their fortunes in a mission of peace ever been able to present any credentials from the Cabinet, by which they were nevertheless employed for very different purposes. We do not say that they acted wrongly, but only that they proceeded on their own account, without the consent, and, perchance, without even the knowledge of their government.

Only the representative of Great Britain in Lima, the honorable Mr. St. Johns, has, as far as we know, made with sufficient authority a formal proposal in the name of

his government to interpose the good offices of the Queen "before the outbreak of hostilities." Unfortunately, hostilities had not only commenced, but the Bolivian who acted as Chilian admiral had already promenaded along our coast with the incendiary torch in one hand to burn all our unarmed towns, and in the other the fuse of his cannon, with which he assaulted women and children, and fired upon the wagons in which families were fleeing before the modern buccaneers of the Pacific, while the Chilian iron-clads, which have shown themselves so averse to combat, were preventing the shipment of our immense wealth of saltpetre, after destroying the platforms and canals for the lading of guano, and after perfidiously robbing Bolivia of her deposits and factories at Antofagasta.

It is now necessary to state once for all, spite of the kind intentions of unauthorized agents and the cackling of an uninformed press, that the mediation of the United States has never been legitimately offered to Peru, and that well-wishing officiousness must not be confounded with the employment of express faculties, such as are necessary for success in cases like the present.

No. 196.

Mr. Christiancy to Mr. Evarts.

No. 62.] LEGATION OF THE UNITED STATES,
Lima, Peru, September 24, 1879. (Received October 15.)

SIR: Referring to my dispatch No. 53, upon the question of intervention of foreign powers, I have the honor to state, as having a possible bearing upon that question, the fact, which I have ascertained from the most authentic source, that England, which has already upon this coast the Turquoise, a wooden corvette, and the Triumph, a first-class iron-clad, has ordered another iron-clad to this station, which may soon be expected to arrive.

It is true that England has a larger commerce upon this coast than any other nation, but I have not been able to discover that it has been or is likely to be interfered with by either of the belligerents in violation of any principle of the law of nations. But there may be an apprehension that, under the decree of President Daza in reference to privateers, there may result injury to British commerce; and though England has no treaty with Bolivia, I have the best evidence that England intends to claim for her commerce the same advantages in this respect secured to the United States by our treaty with Bolivia.

Bolivia, at present, has no port on the Pacific to which prizes made by her privateers (if any) could be brought for adjudication; and Peru, her ally, having become a party to the treaty of Paris against privateering, it becomes a serious question whether she could lend her ports to Bolivia for such purpose.

My own opinion is that the increased naval force of England on this coast has reference mainly to this question of privateering.

If the Department has any instructions to give me in reference to the probable questions to arise upon this aspect of affairs, I should be very glad to receive them soon.

I am, &c.,

I. P. CHRISTIANCY.

No. 197.

Mr. Christiancy to Mr. Evarts.

LEGATION OF THE UNITED STATES,
Lima, Peru, September 24, 1879. (Received October 15.)

SIR: I inclose you a copy of a private letter, of this date, written by me to Mr. Osborn, our minister in Chili, which will sufficiently explain

itself. In my opinion, Mr. Osborn holds the only key to the present position of affairs in reference to peace. Whether he will be able to accomplish (or whether any one could) anything practical before the parties have tried their strength, is very problematical. But it has seemed to me that the course I have suggested is the only one that offers any prospect of success at present, and that the experiment suggested is worthy of trial in the quiet way which I have suggested.

My letter to Mr. Osborn is marked private, but you are at liberty to treat that letter as well as this either private or official, as you shall think best. I would like to know your determination in this respect, so that I may give it a fractional number, if treated as official, for which I reserve a place in the record, and if treated as official, this letter will be numbered as dispatch No. 62½.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure.]

Mr. Christiancy to Mr. Osborn.

Private, No. 27.] LEGATION OF THE UNITED STATES,
Lima, Peru, September 24, 1879.

SIR: Deeply impressed, as I am, with the importance to all these republics of a restoration of peace between all the belligerents at the earliest possible moment, and feeling alike anxious for the prosperity and progress of all; and believing that you, as an American citizen, must necessarily share the like sentiment, I write this for the purpose of making some practical suggestions which, it seems to me, *may have* a tendency to bring about the desired result.

Premising first, that from dispatches received from the Secretary of State, I feel myself authorized to offer the mediation or friendly offices of our government to bring about a peace, whenever it shall appear probable that such an offer will be acceptable to all the belligerents—of which I have in an informal and confidential manner assured the Peruvian Government—and believing that you must also have received dispatches which would authorize you to act in similar manner towards, and to give like assurances to, the Government of Chili. Secondly, knowing that both Peru and Bolivia are desirous of peace upon any terms that would not be considered humiliating, but that owing to the fact that Chili initiated the war by the seizure of Bolivian territory, and that Peru was drawn into the war against her wishes in compliance with her treaty with Bolivia, and that Chili declared the war; for which reasons, both Bolivia and Peru naturally feel that it would be lowering their dignity to make the first advance or proposition for peace, unless, possibly, upon the condition that the territory seized should be surrendered to Bolivia; and that Chili may also feel that she would be humiliating herself to make a proposition for peace upon such terms; yet believing that she also must be desirous of peace upon any terms not humiliating to her, as the war is exhausting her resources as well as those of the other belligerents; that she might, therefore, without humiliation or loss of dignity make a proposition for a division of the territory seized from Bolivia, which might, after modifications by counter propositions, be accepted by Bolivia and Peru.

In view of all these considerations, I would suggest, that to avoid bloodshed, and, as likely to result in the restoration of peace, the Chilian Government might be induced to make a proposition for peace on the basis of dividing the territory seized—that is the simple degree of latitude between 23 and 24. The proposition as first made might not be accepted; but the ice once broken by a proposition, which might be modified by a counter proposition, and this by others, I am strongly inclined to believe, would, in the end, result in peace, either by reference to the United States alone, or (which it seems to me might be preferable) to our government and the United States of Colombia, and the Republic of Ecuador, or some other government or governments in conjunction with the United States.

The great difficulty, in my opinion, to be overcome is to get either party to make the *first* proposition. Because, if the first step in negotiations can be initiated, I think all the other necessary steps will be likely to follow, and that peace (so essential to all) will be likely to result. It may be, and I fear such is the fact, that no efforts for peace can be made available until the parties have tried their strength and one or the

other suffered a terrible reverse; but the plan I have suggested is the only one which occurs to me as likely to lead to such a result, without the calamities incident to such a trial of strength.

And now, in conclusion, allow me to suggest that, in my opinion (which may be erroneous), the best course to pursue, until some definite result can be reached, will be the most quiet, unobtrusive, and informal one, avoiding all such ostentation and parade as that which our friend seemed to think essential, but which defeated, in advance, all the efforts which he could have made. It is time enough for publicity when a practical result is reached; and this can never be reached if all the proceedings, from the first, are to go into the newspapers, where they must depend upon the uncertain and fluctuating current of popular passions and prejudices.

I hope you will keep me advised of any information you may obtain upon any of the points above suggested.

I have, &c.,

I. P. CHRISTIANCY.

No. 198.

Mr. Hunter to Mr. Christiancy.

No. 39.] DEPARTMENT OF STATE,
Washington, October 1, 1879.

SIR: Your No. 49 of the 2d ultimo, in relation to the visit of Mr. S. Newton Pettis to Santiago, has been received.

I have, in the first place, to give approval to the views which, as you state, you have expressed with regard to the existing war with Chili, and the possibility of the intervention of this government, at the instance of the combatants, and in the direction of a peaceful and honorable arbitration. Some months ago, on being approached by the Governments of Great Britian and Germany on the subject, this government explicitly replied that it would regard such a movement as premature then, and would not take part in any intervention which might imply disparagement of belligerent rights, or which might not be solicited by the parties to the struggle.

The visit of Judge Pettis to Lima and Santiago appears to have been prompted by kindly motives of peace, and his object appears, from his own reports, to have been limited to endeavoring to make each of the three governments concerned privately acquainted with the desires of the others for the termination of the contest, and the extent to which each might be disposed to make concessions should the three agree to submit their deplorable differences to neutral arbitration. His expedition was undertaken entirely without instructions from this government, and the completely unofficial character of his effort is understood to be fully known to the cabinets of the three countries. His reports of his interviews with the foreign ministers of Peru and Chili make it impossible to believe that his language could have been construed as implying a threat of intervention on the part of the United States toward either, and least of all toward Chili. In this respect the malevolent comments of a hostile press may be disregarded, except so far as they may indicate a tendency of the popular feeling and so shape the course of the local government in the emergency.

Mr. Pettis's experiment, unauthorized and even rash as it might appear, has, at least, led the contestants to a healthy consideration of the terms on which an honorable termination might be put to the war. Should the knowledge of the views of each other thus gained conduce to an ultimate settlement, this government could not but rejoice at the result. It is not, however, disposed to dictate a peace or even to urge

the conditions on which it may be reached. Its good offices have not been, and are not now, officially tendered; but if sought, on a practicable basis of settlement submitted by the combatants, the President will not hesitate to use them in the interest of peace.

I am, &c.,

WM. HUNTER,
Acting Secretary.

No. 199.

Mr. Evarts to Mr. Christiancy.

No. 40.] DEPARTMENT OF STATE,
Washington, October 13, 1879.

SIR: I have read with much interest your No. 59 of the 17th ultimo, concerning the question of tendering the good offices of the United States to the South American belligerents in the interest of peace.

The recent instructions of the Department to you in relation to the self-constituted mission of Judge Pettis will have gone far towards supplying you with the specific instructions you have now requested.

It remains only to add my appreciation of the wise conclusions you appear to have drawn from the data accessible to you, and to express my approval of your confidential and informal statement to the Peruvian minister of foreign affairs that this government is ready to tender its good offices to bring about peace whenever it shall be satisfied that such a course will be agreeable to all the belligerents. Should you find in official circles any adverse impression derived from the acts or statements of Judge Pettis or Mr. Fisher, you may, in your discretion, still further fortify your statement by the assurance that this government neither contemplates proposing or joining in any movement looking to friendly interposition, unless it shall be the evident desire of all the parties to the struggle that such a course should be adopted in behalf of peace.

Should a desire for the settlement of the dispute be limited to a coincident request for the good offices of this government alone on a practicable basis of reference of the causes of the dispute, in whole or in part, you are authorized to pledge the immediate and earnest consideration of this government with a view to using its best endeavors toward peace. But I am reluctantly constrained to adopt your judgment that no such conclusion is likely until the belligerents have further tried their strength.

I am, sir, &c.,

WM. M. EVARTS.

No. 200.

Mr. Christiancy to Mr. Evarts.

No. 64.] LEGATION OF THE UNITED STATES,
Lima, Peru, October 14, 1879. (Received November 10.)

SIR: I avail myself of the opportunity of sending this dispatch by Mr. Porter C. Bliss, who goes by a special steamer (chartered by the government) to Panama and thence to New York in advance of the mail steamer.

The most important event of which I wish to advise you is the loss, on the 8th instant, of the Peruvian turreted iron-clad Huascar, commanded by Admiral Grau, who lost his life in the conflict.

This small vessel, under the skillful management of this able officer, had for nearly five months not only baffled but completely paralyzed the whole Chilian fleet, including two enormous iron-clads, and kept open free communication by sea for Peruvian transports from the north to Arica and Iquique, and all the southern coast.

I have not the time to describe the particular manner in which the Huascar was lost, and it is not necessary, as I send you, inclosed, as full an account of the transaction as has yet reached here, taken from the South Pacific Times.

The loss of this single vessel changes the whole aspect of the war (if war it can be called, which has consisted almost entirely of the achievements of this single vessel and the efforts of the Chilians to take her), and gives, for the time being, the Chilians full control of the sea, though (unless the port of Callao should be blockaded) I think the Peruvians may still keep open their communications by water with their army in the south; but it will be at the risk of having occasionally a transport taken; and the government is, I have no doubt, making the utmost efforts to compensate, at the earliest possible moment, the loss of the Huascar by procuring still more efficient vessels. But it will be difficult, on this coast, to find the man to fill the place of Grau; such men are not often found anywhere.

But the most lamentable effect, in my opinion, of this catastrophe is that it destroys all present prospects of peace. The Chilians, from the best information I can obtain, but for this, would have been likely soon to favor negotiations for peace on some terms. For awhile, at least, they will probably be so much elated that they would not be likely to listen to any reasonable terms. But the operations by land, which seem now about to commence, may or may not change the aspect of affairs.

Bolivia and Peru have all along been intensely anxious for peace, and, as a means to that end, for the friendly mediation of the United States. And it seems to me manifestly for the interest of all the belligerents alike that peace should be restored at the earliest possible moment, and that, in the final adjustment, long-recognized boundaries should be disturbed as little as possible, and that whatever compensation should be made by or to any of the belligerents should be pecuniary rather than territorial, as the latter will be a continual cause of further conflicts in the future.

I have, &c.,

I. P. CHRISTIANCY.

[The inclosure referred to in Mr. Christiancy's No. 64, is a long printed extract from the South Pacific Times, giving the report of Capt. Y. Garcia of the capture of the Huascar, which is not deemed of sufficient importance to transmit to Congress.]

No. 201.

Mr. Tracy to Mr. Evarts.

LEGATION OF PERU,
New York, October 17, 1879. (Received October 18.)

SIR: The Republic of Chili, as your excellency knows, took forcible possession of a portion of the Bolivian coast under the pretext of re-

vindicating her own territory, and notwithstanding all the efforts of the Peruvian Government to effect a friendly settlement between the two republics, tendering at first its good offices, and afterwards its services as mediator, in order to avert a scandalous conflict, Chili declared war against Peru, and immediately commenced hostilities.

The Government of Peru has already shown, in various official documents, that the war had long been premeditated by Chili, and recent publications of prominent Chilians furnish additional proofs thereof. I do not propose, however, in this communication to call your excellency's attention to these publications. At some other time, with your permission, I may do so. The object of this note is to make known to the Government of the United States the course which that of Chili has thought proper to pursue in its efforts to accomplish its schemes against the Republic of Peru.

I need not remind your excellency that long prior to the commencement of hostilities, Chili had in various ways sought to conclude treaties of alliance with a number of the South American republics, for the purpose of acting against Peru, and despoiling her of some of the most valuable portions of her territory. Especially had she labored with Bolivia to separate her from Peru, and to persuade her to enter into an alliance against the latter. The base propositions made, soon after the war was declared, to General Daza, President of Bolivia, in behalf of Chili, by Don Justiniano Sotomayor, consul of Chili, at Corocoro (Bolivia), which were made public as soon as received by the President of Bolivia, are, of course, known to your excellency, and it was naturally supposed that Chili would at once desist from further efforts to induce Bolivia to adopt a traitorous course against her friend and ally, Peru. The press of Chili, to shield the government from the scorn and indignation that such a step must naturally produce in all Christian nations, affirmed that Señor Sotomayor had acted without any authority, and that the government was in no way responsible for his action. How much truth there was in these assertions may be gathered from two documents recently published in the war bulletin (boletin de guerra) of the Bolivian army, of 10th September last, of which I have the honor to inclose translations cut from a Lima newspaper, which, although substantially correct, differ somewhat from the original, and might be considerably improved. I therefore also hand you herewith copies of certified copies of the originals sent to me by the minister of foreign affairs of Peru.

The President of Bolivia, it is almost needless to add, indignantly rejected these infamous propositions, which it is hard to understand how any government, styling itself civilized, could dare to offer, and at once communicated them to the government of the country which he had been invited to betray.

These documents reveal the false and disloyal policy that has ever guided the Chilian government when seeking to enlarge its territory, and prove that it will stop at no means, however base, to attain its ends. What reliance is to be placed on the promises or assertions of statesmen capable of making such a proposition, it is not for the undersigned to say. He simply submits these documents to your excellency for your information, knowing full well that the Government of the United States will properly judge the conduct of Chili in this matter.

The undersigned avails himself, &c.

JOSÉ CARLOS TRACY.

[Inclosure No. 1.]

Dishonorable propositions of the Chilian Government.

Without commenting upon them, we publish here some official documents which will prove how far the Government of Chili can stoop in matters of low political intrigue.

REPÚBLICA DE CHILE, MINISTERIO DE RELACIONES EXTERIORES,
Santiago, May 29, 1879.

The Government of Chili being interested in a speedy termination of the war maintained against Bolivia, it beholds with pleasure your inclination to aid it to attain that desire.

Consequently the Government of Chili would view with satisfaction your approximation to His Excellency the President of Bolivia and your declaration of our sentiments respecting that end.

My government hopes that the Government of Bolivia will lend a willing ear to all your exponents in this acceptation, and in conformity with what you have offered in the conferences we have had together. Your personal antecedents and the present letter will testify your authorization.

Assuring you now of my gratitude of the noble spirit that animates you,

I remain your obedient servant,

DOMING SANTA-MARIA.

To Señor DON ———.

(Copy:) El jefe de seccion.

J. F. GUERRA.

[Inclosure No. 2.]

República de Chile—Ministerio de Relaciones Exteriores.

BASES.

1st. The friendly relations that have ever existed between Chili and Bolivia, and which have only been interrupted since February of the present year, shall be reunited. Consequently the war between the two republics shall cease, and the armies of each shall be considered in future as allied in war against Peru.

2d. In attestation that all motives of discord shall disappear between Chili and Bolivia, the last-mentioned republic shall recognize as the exclusive property of Chili all the territory that has been mutually disputed, and which is comprehended within the parallels 23 and 24, S. L.

3d. As the Republic of Bolivia has need of a portion of Peruvian territory in order to readjust its own, and give it an easy means of communication with the Pacific, which it has not at present, without being subject to the trammels which the Peruvian Government has ever laid upon it, Chili will not embarrass the acquisition of such territory, neither will it oppose its definite occupation by Bolivia, but, on the contrary, will give it the most efficient aid.

4th. The help given to Bolivia by Chili during the actual war with Peru will consist of grants of arms, money, and other articles necessary for the better organization and service of its army.

5th. Peru being conquered, and the time for peace stipulations having arrived, peace cannot be effectuated by Chili unless Peru celebrate it also with Bolivia; in which case Chili will respect the concessions of territory that Peru may make to Bolivia, or that she may impose on Peru; neither may Bolivia effect a peace without the concurrence and interposal of Chili.

6th. Peace being proclaimed, Chili will leave Bolivia all the armament that may be considered necessary for the use of its army and for maintaining in security the territory that may have been ceded by Peru or have been obtained from it by occupation, without any claim being made for the sums of money that may have been disbursed during the war, which at no time will exceed six hundred thousand dollars.

7th. It remains in consequence established that the indemnification of war that Peru may have to pay Chili must of necessity be guaranteed, considering the financial condition of Peru and its informality in the fulfillment of its promises, by the saltpetre works of the department of Tacapaca and the guano and other substances that may be found there.

A special convention will arrange this matter.

Similar conventions will be instituted regarding other points which it may be necessary to demand, investigate, and arrange.

(*Copy.*)

J. E. DE GUERRA,
Jefe de Seccion.

No. 202.

Mr. Seward to Mr. Tracy.

DEPARTMENT OF STATE,
Washington, October 21, 1879.

SIR: I have had the honor to receive your note of the 17th instant, accompanied by documents, supposed to show early in the war between Chili and Bolivia an attempt on the part of the government of the former republic to detach Bolivia from its alliance with Peru.

In reply, I have the honor to acquaint you, that the papers adverted to will be taken into consideration whenever this Department may have occasion officially to entertain the question to which they relate.

Accept, sir, &c.,

F. W. SEWARD,
Acting Secretary.

No. 203.

Mr. Seward to Mr. Christiancy.

No. 42.] DEPARTMENT OF STATE,
Washington, October 22, 1879.

SIR: I have to acknowledge the receipt of your dispatch of the 24th ultimo, in which you inclose a copy of a private communication sent by you to Mr. Osborne, minister of the United States at Santiago, offering some suggestions on the subject of possible negotiations for peace between the governments of Chili, Peru, and Bolivia.

The Department appreciates the force of your suggestions, and can perceive that much good might result to all parties, should a proposition of the character referred to by you be made, and the natural negotiations follow thereupon, since this course would tend in the strongest manner to the desirable consummation of peace. It is trusted therefore that events may shape themselves to this end, either through the scheme which you regard so promising, if adopted, or some other way. Meantime it is of course desirable, as far as this government is concerned, to adhere to the methods recommended in the previous instructions of the Department.

Your dispatch will be regarded as "official," but, at the same time, confidential, and will be numbered as you suggest, "62½."

When dispatches are of a confidential character you can prefix the word "confidential," or some other of like import; numbering the same, however, in the regular order.

I am, &c.,

T. W. SEWARD,
Acting Secretary.

No. 204.

Mr. Christiancy to Mr. Evarts.

No. 70.] LEGATION OF THE UNITED STATES,
Lima, Peru, October 28, 1879. (Received November 24.)

SIR: In compliance with my duty to keep you informed of the progress of the war, I have the honor to state that since my dispatch, No.

64 (October 14), and I may say since the capture of the Huascar on the 8th instant, no visible progress in actual warfare has been made by any of the belligerents. Everything seems to have remained at a dead standstill. The period has been one of suspense, of vague apprehensions and expectations. The only sign of activity on the part of the Chilians, so far as information has reached here, is that some of the Chilian vessels, one iron-clad and several transports, have been passing up and down the coast from Antofagasta to Arica, but actually attempting nothing. The Peruvians, however, apprehend a descent upon their southern or central coast. They have ceased to fear an attack upon Lima, which, had it been made immediately after the capture of the Huascar, might very probably have resulted in the capture of Lima, had they landed at Aucan or some other port near Lima. Callao is too well defended to be taken by a fleet. But the opportunity for such an attack upon Lima has been lost, if my information from an official source is correct as to the number of men here. Additional forces have been raised and equipped here, as I am informed, and the force which could now be readily made available here is about 12,000 men, and could quickly be raised to 15,000.

As to operations between the armies exclusively by land, there have been none, and, so far as I can see, there are not likely to be any immediately. The desert of Allacouna still remains between the opposing armies, and either army which should attempt to cross to meet its opponents might emerge from that desert so weakened as to become an easy prey.

The Chilians at present have command of the sea; but a strange paralysis seems to check their action. In the mean time Peru has sent a commission to Europe for the purchase of iron-clads, which will enable them to meet their opponents on equal terms, and such, I have no doubt, will be the result of the Chilian fleet remaining as inactive as at present.

There is one enterprise, at least, which I have been anticipating, but of which there is no present indication, except the ominous apprehensions of the people here. This would cut off all communication between the government with its base of supplies, and their principal army, which is in the south. I suspect, however, that the true reason why this is not undertaken is the fear of torpedoes, of which there is here a large supply, with men from abroad skilled in working them. It was this fear, I suspect, which raised the blockade of Iquique, and has prevented an attack upon that place and Arica. Should Callao be blockaded, and the mail steamer prevented from entering or taking the mail, I shall be cut off from all safe means of communicating with your Department, and shall have to act upon my own judgment in the emergencies which may arise.

I am, &c.

I. P. CHRISTIANCY.

No. 205.

Mr. Christiancy to Mr. Evarts.

No. 75.] LEGATION OF THE UNITED STATES,
Lima, Peru, November 3, 1879. (Received November 25.)

SIR: Referring to my dispatch No. 70, I have the honor to give you the following additional facts which have since taken place, showing the progress of the war:

Within a day or two after the above dispatch we began to receive intelligence, by way of the British line of mail steamers from Valparaiso, that preparations upon a large scale were going on for the embarkation of a strong force, and soon the conviction seemed to take possession of the public mind, in which the government seemed to concur, that the large land force was being embarked for an attack in the neighborhood of Lima. This conviction grew stronger, day by day, until yesterday, though for myself I did not credit it, because I did not think it the best course for the interest of Chili; for though she might possibly land forces enough near here to take Lima, and even to capture Callao from the land side, she could not hope permanently to hold these places, nor to conquer Peru; and in the mean time the forces of Peru and Bolivia, now in the south, would have an easy task to retake Antofagasta and all the Bolivian and Peruvian territory now held by the Chilians, and for which, on account of its wealth, they commenced the war. I had, therefore, concluded it was more probable the Chilians would seek to retain this territory, and as the allies—Peruvians and Bolivians—had their forces scattered for more than 100 miles north and south in this territory, that they might land at some point near the center of this 100 miles and strike first against one-half of the allied forces, crush it, and then turn upon the other half and crush that. This seemed to me probable. But the government here was so impressed with the idea that an attack in the neighborhood of Lima was intended that they put forth every effort, and even issued a decree for the enrollment of all Peruvians between the ages of 18 and 70, and in effect proclaimed martial law in Lima and Callao, and, in consequence of the terror of this invasion, the whole ministry (with the exception of La Colevrez, minister of war and marine) was completely changed twice within three days. But about 3 o'clock p. m. yesterday came a telegram from General Prado, at Arica, that sixteen vessels were in front of Pisagua (about 35 miles north of Iquique) attempting to land troops; that fighting had been going on for five hours, and they had not yet succeeded. At about 5 p. m. he telegraphed that the enemy had taken Pisagua, and that General Buendid (the Peruvian general) had retreated upon San Bernardo (a fortified place on the road to Iquique). That the enemy seemed to have divided their forces, and were landing, or attempting to land, a force at Chucumata (about 15 miles south of Iquique). Thus stands the news up to this hour, November 3, at 9 p. m.

To estimate probabilities, I will say that Iquique is only fortified on the water-front, and may be easily taken from the land side, if an enemy succeeds in reaching that side; that the main body of the allied forces are at Arica and Tacna, there being but 5,000 or 6,000 in Iquique, and a small force of the allies thence south to Quillagua. It is easy, therefore, to see that if the Chilians can march rapidly upon Iquique with a sufficient force they may take it before material aid can be received from the north or the south to molest them.

Such at least would be the case if the country were an open one. But as the deserts and mountains do not admit of the rapid movements practicable in an open country, it is impossible for one not intimately acquainted with the locality to form a fair judgment of the probable result.

I leave this letter unfinished to record any further news which may be received prior to the 6th, when the northern mail steamer leaves, only remarking here that it is evident, from the tone of the Chilian press, that the Chilian Government still hope that the Bolivians will

abandon Peru, and unite with Chili in siezing from Peru the province of Tarapacá (rich in nitrates), to be given to Bolivia in exchange for the Bolivian territory seized by Chili, notwithstanding Peru was drawn into this war in compliance with her treaty with Bolivia to protect the latter in her boundaries. That there is a party in Bolivia who favor such a course I have no doubt; but that President Daza and his government do so I do not believe. But no reasoning which could be sound as to civilized countries generally, can be a safe guide to a correct conclusion, when Bolivia is one of the factors of the problem.

One thing which I have all along thought probable, I still think likely to take place, the blockade of Callao, which the Chilians have navy enough to accomplish without interfering with the land operations in the south.

NOVEMBER 5—6 p. m.—Nothing further has been heard from the south.

With the highest esteem, I am, &c.,

I. P. CHRISTIANCY.

No. 206.

Mr. Christiancy to Mr. Evarts.

No. 80.] LEGATION OF THE UNITED STATES,
Lima, Peru, November 11, 1879. (Received December 8.)

SIR: I have the honor to inclose to you the translation of an executive decree of the Peruvian Government of the 8th of this month (founded upon a law of the 1st instant), prohibiting commerce with Chili, &c., and to say that as it has occurred to me that the second article of the decree may seriously conflict with the eighteenth article of our treaty with Peru (proclaimed July 27, 1874), to say nothing of last clause of article 5 of the same treaty, and being informed that the British minister also insists upon the provisions of our treaty alluded to, under the clause of the British treaty, called "the most favored nation clause," and that France, though her treaty with Peru is claimed by the latter government to have expired by its own limitation, intends to claim the benefit of our treaty under the "most favored nation clause." I this day called upon the minister of foreign affairs of Peru, in an informal, confidential, and friendly manner, and suggested to him the conflicts which I thought might arise between the eighteenth article of our treaty and the second article of this decree, as to the rights of American vessels to enter Peruvian ports, though they might have come from or touched at Chilian ports, saying at the same time that, for the present, and before any actual conflict had arisen, I did not propose to enter a formal protest, but that if a case should actually arise in which, for instance, an American vessel should be prohibited entrance into a Peruvian port, for the cause mentioned in the second article of the decree, and complaint should be made to me by such vessel or her officers, I should feel it my duty to enter an earnest and formal protest against such violation of the treaty. I did not assume to define the various points of conflict which might arise, nor by putting the case of an American vessel coming from a Chilian port did I mean to limit the cases of conflict to that, nor did the minister understand me as thus limiting the cases; on the contrary my conversation also intimated generally that conflicts might arise in reference to the right of bringing in Ameri-

can vessels, goods, or property, the products of Chili, taken in connection with the clause providing that free ships shall make free goods; but upon those latter points I intimated no opinion of my own, only saying that I hoped the government would carefully consider the questions of conflict which might arise between the treaty and the decree. The minister, so far as I could judge from his conversation, did not appear to have examined the treaty at all, nor to have formed any definite notion of its meaning or object; but, with an evidently strong desire not to give just cause for offense to the United States in this respect, said that a meeting of the cabinet would be held this evening, and the whole subject laid before it.

There is but comparatively a small amount of our shipping on this coast at present, while England has a large amount, and France has more than we. There is also a British line of steamers (the Pacific Steam Navigation Company) running along the coast of all the belligerents, and thence to Panama.

A very large portion of the sailors and employés on these steamers were Chilians, while very few (and so far as I can learn, no case) of this kind exist as to the vessels of the United States. This being a case, therefore, in which England was almost exclusively interested, and if the eighteenth article of our treaty would permit these Chilians to come into all Peruvian ports, while Chili has the complete command of the sea, the enforcement of such a stipulation would be directly aiding one of the belligerents against the other, by enabling Chili to keep up a most effectual espionage against Peru in Peruvian ports. I therefore concluded not to urge this provision at present, and, unless so instructed by the Department, to await the development of events until a case should arise in which American interests should be involved.

But this morning, November 12, I called upon the British minister to learn what view he took of our treaty in this respect, and what course he had determined to take in reference to this point. He had seen and felt the injustice of enforcing the right to have these Chilians upon English vessels enter the ports of Peru, and frankly stated that he had waived all claims of the kind, and informed the British steamers that they must be discharged from such vessels.

This difficulty, therefore, is practically at an end.

But questions may still arise, under the eighteenth article of our treaty, whether American vessels would have the right to introduce Chilian goods or products, and trade in them in Peruvian ports. At present I am inclined to the opinion that the treaty secures no such right when Peru has declared non-intercourse with Chili and excluded the importation of all such Chilian goods and property.

It is clear, I think, that it was entirely competent for Peru to impose such a high rate of duties upon such goods and property as to effectually exclude them; and the right thus indirectly to exclude rests, as it seems to me, upon the right of direct and absolute exclusion.

The fifth article of the treaty seems to me to support this view. Upon this point I await your instructions. I think no case raising this as a practical question is likely to arise in the mean time.

In fact, all the questions arising under the decree mentioned have become of less importance, as an order appears in the papers this morning, which, with its translation, I inclose, which will put off the execution of the order for some time, to give fair notice to neutrals.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 80.—From the South Pacific Times, Tuesday, November 11, 1879.]

Important decree.

COMMERCIAL INTERDICT WITH CHILI.

LUIS LA PUERTA, first vice-president of the republic encharged with the executive power.

In use of the authorization granted by the law of the 1st instant—

I decree:

ARTICLE 1. All commerce between the republics of Peru and Chili is hereby strictly interdicted as long as the present war lasts.

ART. 2. All steamers or sailing vessels coming from any Chilian port, or which have touched in any Chilian port, are prohibited from entering any port in Peru.

ART. 3. Steamers and ships of any kind trading on the Peruvian coast are forbidden to have any Chilian on board. Any vessel on board of which a Chilian is found will not be allowed to enter in future any Peruvian port.

ART. 4. The foregoing rules apply to vessels coming from Bolivian or Peruvian ports occupied by the enemy.

The minister of finance and commerce will provide for the due fulfillment of this decree.

Given in the government house in Lima, this eighth day of the month of November, eighteen hundred and seventy-nine.

LUIS LA PUERTA.

J. M. QUIMPER.

[Inclosure 2 in No. 80.—Translation from El Comercio, Lima, November 11, 1879.]

COMMERCIAL INTERDICTION.

The director of administration has issued the following circular to the custom-houses of the republic:

SIR: The law of the 1st instant is being put in force by the supreme decree of the 8th, in relation to the commercial interdiction with the Republic of Chili. The government believed it unnecessary to indicate that for the fulfillment of the law and of the decree, the necessary time, in consideration of distances, would be accorded, since, from the principal of universal legislation, to give the aforesaid time is obligatory.

For the better comprehension of the aforesaid dispositions, I fulfill the duty in bringing to your knowledge that circumstance, by order of the minister of that branch, in order that you may take it in consideration when you receive in that port the ships or steam vessels or sailing vessels comprised in the said decree.

God be with you.

JUAN DE D. RIVERO.

No. 207.

Mr. Christiancy to Mr. Evarts.

No. 83.] LEGATION OF THE UNITED STATES,
Lima, Peru, November 19, 1879. (Received December 12.)

SIR: Since my dispatch No. 75, in reference to the progress of the war, little has taken place of which reliable information can be obtained.

It seems, however, tolerably certain that at the time of the landing of the Chilians at Pisagua, another landing of part of their forces took place at Junin, a few miles south; that the two bodies formed a junction near Pisagua and moved inland to Agua Santa, having got possession of a short railroad from Pisagua to that point, with one or two locomotives; that on the 11th instant General Daza, with 4,000 of his

Bolivians, moved south to form a junction with such of the allied forces as were scattered along the south of Peru and in the Bolivian territory, especially with the main body of them, under General Buendia at Paz Almonte, back 40 miles from Iquique, and 30 miles south of Agua Santa, and if possible, after said junction, to attack the Chilian army, which, from the best calculations to be made here, must have in its main body from 8,000 to 10,000 men.

Since the 11th all seems to be uncertain as to the movements of the armies, except that the Chilians had cut the cable between Iquique and Arica; that on the 15th instant the commander of the Chilian fleet gave notice of the establishment of the blockade of Iquique, which they probably have force enough to render effectual, and that yesterday dispatches were received from Arica that General Daza had returned to that point, thus showing that the attempted concentration was found impracticable; and, unless with the aid of more allied force at Arica, they shall be strong enough to meet the main Chilian army. Without the aid of Buendia it would seem quite probable that the allies may be beaten in detail, as intimated in my No. 75. But if all the allied forces can be concentrated, the Chilians may be driven back to their ships, unless in the mean time they receive large re-enforcements. In the mean time the dread of an attack upon Lima keeps a large force of the Peruvian army here.

I am, &c.,

I. P. CHRISTIANCY.

No. 208.

Mr. Hay to Mr. Christiancy.

No. 47.] DEPARTMENT OF STATE,
Washington, November 26, 1879.

SIR: Your dispatch No. 70, of the 28th ultimo, in which you give the current news and forecasting with respect to the progress and prospects of the war, has been read with the usual interest attaching to your dispatches on that subject.

In view of the actively aggressive operations of the Chilians, as shown in your dispatches and by subsequent telegrams in the public press, it may not be inopportune to notice the concluding part of your dispatch, wherein you observe that should Callao be blockaded and the mail steamers interrupted, you would be cut off from all safe means of communicating with this Department, and would have to act upon your own judgment in the emergencies which might arise.

While it would be, on every account, desirable to maintain constant communication with you, if possible, in the emergency to which you refer, yet the adoption of any extraordinary and expensive means to accomplish that object, such as the dispatch of a special courier, would not be regarded as necessary unless, indeed, some pressing necessity should arise for the transmission of intelligence urgently affecting the relations of the United States with the parties to the struggle. The adoption of any special means of communication would, of course, be subject to the approval of the Department.

I am, &c.,

JOHN HAY,
Acting Secretary.

No. 209.

Mr. Christiancy to Mr. Evarts.

No. 87.] LEGATION OF THE UNITED STATES,
Lima, Peru, November 26, 1879. (Received December 18.)

SIR: I have the honor to inform you that I have just received a letter from our consul at Iquique, dated the 15th inst., informing me that the commander of the Chilian iron-clad, Amivante Cochrane, had just given notice to the consular corps at that post that he had established the blockade of Iquique "and the adjacent minor ports" (a little uncertain), and that ten days were given to the neutral merchant vessels now in port, counting from the 15th, in which to complete their cargoes and leave the bay. This, it must be admitted, is sufficiently liberal, especially as to completing "cargoes." Doubtless you have also been advised by the consul of all this.

I have, &c.,

I. P. CHRISTIANCY.

P. S.—I have no doubt that before this reaches you, and probably before now, Iquique is in possession of the Chilian forces, and the blockade in that manner ended; but I have no positive information of the fact.

I. P. C.

No. 210.

Mr. Christiancy to Mr. Evarts.

No. 88.] LEGATION OF THE UNITED STATES,
Lima, Peru, November 26, 1879. (Received December 18.)

SIR: Referring to my dispatch No. 83 upon the progress of the war, I have to say, in continuation, that important events have since taken place, the details of which it is impossible to ascertain with certainty, but the result of which, it is now evident, has been a crushing defeat of the allied armies, or at least of the Peruvian forces by the Chilians, at San Francisco.

It seems, or at least this is the information and general belief here, that a part of the Bolivian army refused to march against the Chilians, and that General Daza found himself unable to compel them. But that part of them did march, with a larger force of Peruvians, for Agua Santa; that they there formed a junction with General Buendia, the Peruvian General at Agua Santa. The Chilians having there, and thence toward San Francisco, only outposts and skirmishers, which were attacked and driven in back to the main body, strongly intrenched at San Francisco. That the allies (consisting of two or three divisions of Peruvians and one of Bolivians) some time between the 20th and 23d inst. made a combined attack of several hours upon the Chilian army, but were badly defeated, and with heavy loss; that at last accounts General Buendia, with a part of the army, had retreated to Tara, and General Prado, who is still at Arica, with, as is supposed, some 5,000 or 6,000 men, telegraphed on Saturday, the 22d, that he did not know where the rest of the army was.

This is the substance of all that is reliable; the cable at Mallendo being cut, or the place taken last Saturday, we get no more telegrams.

But it is reported and generally believed here, that a great, if not the greatest, part of the Bolivian army proved faithless to the Peruvian alliance, and that they with General Campero (Bolivian who has returned to La Paz) were about to form an alliance with the Chilians against Peru, and depose Daza; such is the belief here, and the excitement or rather the depression is extreme.

In confirmation, or perhaps only as a consequence of this belief, the Bolivian minister here, Mr. Flores, it is said, has not been seen since last Friday, the 22d inst., and the excitement is strong against him.

The consequence of all this has been a general conviction that a revolution must take place in the government here, and that Piérola must be put at the head of affairs, and though he probably has more following than any man in Peru, and I am inclined to think quite as clear a head, and is withal very ambitious, he feels the terrible responsibility of assuming the reins of government just now when everything seems rushing to chaos and ruin.

A demonstration was got up by the rabble in the streets the night of the 22d inst., and the tocsin sounded throughout the city, supposed to have been instigated by General de la Cotera, minister of war, first, in his own interest in hopes of being made dictator, and second, to get the prestige of Piérola in a new ministry under his control. But Piérola did not take the bait, and the whole thing ended in smoke. But notwithstanding the fearful responsibility, I am inclined to think that he will be compelled very soon, it may be any day, by the strong popular wish, to consent to take the position of dictator. And though I think I understand the principles of our government, in recognizing revolutionary governments, I will be glad to receive any instructions you may see fit to give. But do not make the element of probable permanency (of such government) too prominent as, in that event, there would be few Spanish-American governments recognized generally.

I hear it rumored in various quarters, and think there may be some ground for the rumor, that a kind of moral pressure is at present being brought to bear upon the Peruvian Government by the representatives of England, France, and perhaps Germany, to induce Peru to offer terms of peace at once; but I have purposely kept aloof from any effort of this kind, because I think I see clearly enough that in the present extreme depression and discouragement of the Peruvian mind, and the equally extravagant elation of the popular mind of Chili, that Peru might be led or driven to offer or to accept terms of peace, which a sound and cool judgment of the present or the more matured judgment of the future might condemn as extravagant and unreasonable. And in such an event, the nation whose representative had, by his action, contributed to drive this government hastily into such terms would be sure to incur the hatred of Peru and of Peruvians for a long time to come.

I shall not therefore volunteer or officiously offer advice to this government unasked. It will be time enough to give advice when it is asked; and should it be asked, I shall only say, "Certainly I advise peace, if you can procure it upon what you deem reasonable terms, but you must yourselves be the judges of what terms are reasonable, unless all the belligerents agree to refer it to some power, or to the representatives of some power or powers, to determine what is reasonable."

In such an event, should it be referred to me in whole or part, I should, with the consent of my government, seek to determine the question in view of all the circumstances, undisturbed by the excitement of the popular mind here or elsewhere.

I have, &c., I. P. CHRISTIANCY.

No. 211.

Mr. Christiancy to Mr. Evarts.

No. 90.] LEGATION OF THE UNITED STATES,
Lima, Peru, December 3, 1879. (Received December 26.)

SIR: Referring to my dispatch No. 88, I will say, in continuation, that the Chilians had, at the date of that dispatch (as we have since learned), taken possession of Iquique; and that about the 28th or 29th ultimo (the exact day I cannot yet ascertain) they placed two wooden naval vessels (corvettes) in front of Arica, and sent on shore and to the neutral vessels in port notice of the blockade of that port. It is said that, as in the case of Iquique, they have given 10 days' notice for vessels to leave, but I have not been able to find any reliable evidence of the latter fact. Whether the two Chilian ships are sufficient to make the blockade effectual remains to be tested.

As to the operations upon land since my No. 88, the information is not wholly reliable as to details, but the reports through Peruvian channels are that, since the defeat at San Francisco, General Buendia has succeeded in collecting about 5,000 men at Tarapaca, besides the cavalry, which had suffered very little, and which, at the last intelligence, had made its way to Arica; that there were before their arrival from 5,000 to 7,000 Peruvian soldiers at Arica in good condition and well supplied, and that General Daza is, at the last intelligence, at Tacna, with some 2,800 to 3,000 Bolivians. On the 18th of November the Chilian ironclad Blanco Encalada captured the small Peruvian gunboat Pilcomayo.

On the morning of the 9th ultimo General Prado (who was supreme director of the war in the south) arrived here by one of the English mail steamers. He was well received, but without much public demonstration. Piérola, his great rival, however, met him at the depot in Lima in the most friendly manner. General Prado has resumed the presidency here, leaving General Montero at Arica, in chief command of the forces in the south.

In attempting to form a new ministry General Prado, as stated by the press, tendered to Piérola the place of minister of finance and president of the council, with the right to select all the other ministers.

But it is said by some well-informed persons that General Prado reserved the right of selecting one or two of them, and by others equally well informed that the offer to Piérola was as first stated, and that he offered to accept on the condition that General Prado should declare himself dictator, ignoring the constitution entirely as to the means to be taken for the public defense. But whichever version may be true, Piérola declined to go into the cabinet; and this morning the formation of a ministry is announced.

Don Manuel Irigoyen, minister of foreign relations and president of the council.

Ramon Ribeyro, minister of justice.

Mariano Alvarez, minister of government.

Aurelio Dinegro, minister of finance, and

Colonel Eavieguo Sava, minister of war and marine.

Mr. Enrique Irigoyen is the same who has held the same office for a long time, under all changes of the cabinets, until De la Lotera became president of the council. He is a man of clear head and souud judgment, with a more intimate knowledge of foreign affairs than any man in Peru—*par negotiis* on all occasions—and I think an honest and patriotic man, which last qualifications, according to the general popular belief here,

make him a "*rara avis*" in *terra Peruano*. In that he commands the respect and esteem of all parties.

The other members of the new cabinet are not men of distinguished prominence (except perhaps, Sava, who is said to be a man of great vigor and decision.)

I think this cabinet likely to have some permanency, unless unforeseen calamities should impel the populace to drive Piérola into the assumption of the dictatorship, which I do not think he desires at present.

I am, &c.

I. P. CHRISTIANCY.

P. S.—6 p. m.—The evening papers just out have the following telegrams from Arica.

Montero to the President:

ARICA, 3 10.45 a. m.

Battle at Tarapaca; our army victorious; 2,500 Chilians, 1.000 killed and wounded. They were completely routed. We took 7 Krupp "cañones," 3 Gatlings, and 60 pris. Ours 600 killed and wounded. 11 pieces of artillery taken; 4 Gattling. The Samar has disembarked our wounded here.

2.

Prefect of Ariquipa to the President.

MOLLENDO 3, 1.28 p. m.

Twenty-five hundred Chilians attacked our army on the 27th ultimo, in Tarapaca. oners, 1,000 Chilians killed and wounded.

Our victory was obtained in the night.

How reliable this may be, I do not yet know, but I give it as it comes.

I. P. C.

No. 212.

Mr. Christiancy to Mr. Evarts.

No. 91.] LEGATION OF THE UNITED STATES,
Lima, Peru, December 7, 1879. (Received January 7, 1880.)

SIR: Referring to my despatches Nos. 88 and 90, I will say, in continuation (none at least made public) to change the effect of the telegrams given in my No. 90, as to the operations of the armies on land—except that the victory at Tarapaca—seems to have been of less dimensions than their report, and the allied forces are retreating upon Arica, nor has any naval operation taken place of which reliable news has been received here. But the new ministry mentioned in my No. 90 as just appointed all declined to accept, and the former ministry, under General De la Cotera, as president of the council, remains in office, not, as I am inclined to think, because President Prado prefers them, but because he has been unable to induce others to accept.

But the true reason why Piérola did not accept the offer of President Prado to form and to preside over a new ministry is no longer a secret. I inclose you his own declaration or pronunciamento over his own hand inserted in his paper, La Patra, three days since, together with a translation, which, whatever else may be said of it, must be admitted to be a bold, frank, and candid statement of his position and that of the party he represents. I must ask you to judge of it, not

from our North American standpoint, but from that of Peru; because, judged by our North American standard, it might be thought to be an evidence of the personal vanity, egotism, and selfish ambition of the writer; whereas we have the highest possible direct evidence—the declaration of the writer himself—that it is nothing of the kind, and that there is nothing in it to authorize such an opinion; and the latter is probably the view of the majority of his political followers, though, if I am to judge from the Peruvian press, I should be compelled to admit that, ostensibly at least, his followers are not as numerous nor as cordial since as before the publication of this manifesto.

The people see that the constitution, which he thinks the source of all the calamities of Peru, and which he says he has labored for years, inside and outside of Peru, to get rid of, but which President Prado has the folly still to cling to, is not, after all, so great an obstacle as he seems to suppose; since, whenever a provision of the constitution happens to be thought embarrassing, an executive decree, or that of a single minister, is issued enacting the very thing which the constitution *seems* to prohibit, and if this is subsequently approved by Congress, it becomes at once constitutional, because the constitution itself (Art. 59, sub. 1) provides that Congress shall have power to make laws, to *interpret*, modify, and repeal existing laws ("Dar loyes, *interpretar* modificar y derogar las existentes"); and the constitution is a law to be construed, as well as a statute or resolution of Congress.

True, perhaps, President Prado has seemed to be reluctant to go much in advance of the approval of Congress in such cases, but this is by many thought to make the constitution unnecessarily embarrassing. It is true, however, that during President Prado's absence in the field, the Vice-President (La Puerta) and his various cabinets were very prolific in decrees, which, to us, would seem to be clearly in violation of their constitution. And the last cabinet (continued by President Prado) has issued decrees upon the tariff, the exports, and imports, the duties, and how payable, and levying taxes of various kinds, and upon various other subjects without the warrant of any act of Congress, and these are still continued, though I suppose they would be repealed on the reaccession of President Prado. I inclose two of them not heretofore sent you, and which might furnish some valuable hints to our Secretary of the Treasury.

From the above considerations it is easily seen that an inflexible constitution, like ours, would be wholly unsuited to the habits of society, as at present constitued here; and like all the other Latin races, they require a constitution that will bend without breaking; or at all events *bend*.

I am, &c.,

I. P. CHRISTIANCY.

[Inclosure in No. 91.—Translation.]

To the Editor of La Patria:

ESTEEMED SIR AND FRIEND: General Prado having returned to Lima, after a new, unjustifiable, and inexplicable disaster, my refusal to organize a cabinet under the Presidency of that gentleman has aroused the malevolence of a few and the thoughtlessness of many to make the most erroneous and capricious comments.

I would overlook them in silence, as I have done until now, if they were injurious to myself alone, since I believe I have shown that I do not know how to remember self when the country is in question; but as all these commentaries unite in the affirmation that, in my opinion, the situation is desperate, and that this is the cause of my refusal

to face it, which would undoubtedly injure Peru immensely at home and abroad, I owe to the country a distinct declaration, and I am about to make it, cost what it may, with all the resolute effrontery which the solemnity of the crisis demands of me.

If suppression of the truth is ever justifiable, there are times in which the whole truth should be uttered, and when silence is a crime.

I was called upon by General Prado to organize, with full liberty, a cabinet. I refused at once and distinctly, but founding my explanation upon an exposition as frank as it was possible to make it, in which nothing was reserved, and accompanied by what, in my opinion, should be the course for him to pursue. I proceed to condense, in a few points, my mode of reviewing the situation:

1st. The disasters suffered are the necessary result, not only of the men who are at the head of affairs, but of the system under which we live, and against which I have struggled for ten years, using every means as well within the government as outside of it.

2d. If this system be maintained, it is impossible now to save the situation; and consequently to aid in sustaining it, far from laboring for Peru, would be to contribute to the consummation of her ruin.

3d. As to the persons who represent this system, both General Prado and General La Puerta have become impossible as heads of the nation, under present circumstances; and as for the second vice-president, it will be sufficient for me to say that his keeping out of the country is clear evidence of sound judgment and patriotism.

4th. Those who become indignant, and accuse me because I do not consent to become chief of a cabinet after the lapse of eight months, during which I have not been deemed useful for anything—incredible obstacles being presented even to the very exercise of the right of being killed at the head of a regiment of volunteers—are irritated, and denounce me, not because I do not come forward to save the country, but because I do not come forward to save the authority they wield, and which they have not known how to employ for the triumph of Peru.

5th. Legality does not really exist. It is in fact reduced, not to the upholding of institutions which have been denaturalized, and which are, at this moment incompatible with the public weal, but to the maintaining of this or that man in office.

6th. I signified my assent two months ago to preside over a cabinet wherein the legal freedom was denied me, which the critical position of affairs now compels to be offered me. I resigned myself to this only because foreseeing the imminence of an invasion, and the proximity of a decisive battle, it was, above all, indispensable to avoid, during such contest, exactly what has occurred without any justifiable cause. To-day no such motive exists; more, much more is needed, and my proffered acceptance of that date would now be inexplicable and culpable.

7th. For a nation which has faith and the determination to save itself, there is never a situation which can be called desperate. I believe our own far from being so; but were such the case, men of heart only go down fighting.

8th. I have not refused, therefore, to serve the country, and to serve it equally in the lowest as in the highest position. I have, yes, I have refused, and do refuse, two things: 1st, to seek that position for myself without being called to it; 2d, to accept without the means of doing what I believe indispensable for the good of the country. For me there are, at this moment, two things equally absurd, and which fools alone could entertain: 1st, personal ambition; 2d, that egotism which refrains.

The situation may be thus summed up: If the country is to be saved, a radical political transformation is inevitable. This will either take place from above downwards, General Prado taking the initiative of an appeal to the people, the only legal entity which can decide, or that transformation will be made from below upwards, with terrible violence, which patriotism should avoid at all risks.

In order to avoid this second extreme, I have omitted no effort whatever from the outbreak of the war, even going lately, through motives of pure patriotic duty, so far as to go in person to receive Mr. Prado, hoping, as I still hope, that he will at length do as I have earnestly urged him, which either I am much mistaken or he himself recognizes as indispensable and what the salvation of the country demands of him.

This is the true state of affairs. I put it upon record in this letter without other motive than the salvation of Peru, new and costly as the sacrifice may be which it may impose upon me.

I would thank you, Mr. Editor, to be pleased to give this a place in the columns of your paper before the closing of the mail for abroad.

Saluting you affectionately.

N. DE PIÉROLA.

No. 213.

Mr. Christiancy to Mr. Evarts.

No. 93.] LEGATION OF THE UNITED STATES,
Lima, Peru, December 16, 1879. (Received January 7, 1880.)

SIR: Referring to my dispatch No. 88, in reference to the reported revolution at La Paz, the apprehension here that the revolutionists there were acting in hostility to the Peruvian alliance and in favor of an alliance with Chili, and that the Bolivian minister here had not been seen for some time, I have to say that from the best information (none attainable here), the supposed revolution was a movement in favor of the Peruvian alliance, and a more vigorous prosecution of the war. I inclose an article from the South Pacific Times of this day, which gives the result of the information, so far as the public are informed, up to this date; and I will say that for the last two weeks or more the Bolivian minister appears in public and has consultations at the palace as formerly.

Absolutely no news have been received from the seat of war since my No. 91, except that the remains of the Peruvian army, which fought at San Francisco, were arriving at Arica and are now, probably, safe at that place with the main body who had not left that place.

Great activity has been shown in raising men in this central portion of Peru, and there are supposed to be now in the vicinity of Lima and Callao near 15,000 men, a large part of whom, however, are raw recruits.

Whether any of them are intended to be sent south is doubtful, but there are at present indications of an intention to send off, to-night or to-morrow, one transport, if not two, to the south with ammunitions and supplies for the army at Arica. Those will run great hazard of being taken, and probably will not think it safe to go further than Mollendo.

The government show no indications of asking for peace on any terms that Chili would be likely at present to grant.

In the mean time all business is nearly at a stand still. The credit of the paper currency is rapidly falling. An American double-eagle will purchase to-day from 80 to 84 paper soles.

I have, &c.,

I. P. CHRISTIANCY.

P. S.—DEC. 17. The papers this morning contain telegrams showing that the port of Ilo (or Ylo) is blockaded by three Chilian vessels.

[Inclosure in No. 93.—From the South Pacific Times, December 16, 1875]

THE REPORTED REVOLUTION IN BOLIVIA.

From official documents now published it would appear that the rumors lately in circulation regarding a revolutionary movement in La Paz, towards the end of last month, were not totally devoid of foundation, but the affair, however, has not been so serious as was at first supposed.

When the council of ministers intrusted with the reins of government during the absence of the President, General Daza, at the seat of war, received tidings of the disaster to the allied arms on the 19th ultimo, at San Francisco, afraid of a popular outbreak, they withheld the news from the public for some days. In the mean time, the people, alarmed at the prolonged silence on the part of the government, and at the rumors, which did not fail to be spread, of serious reverses sustained by the allies, began to show their discontent, and fears were entertained that unless energetic

measures were to be adopted by the ministers, an outbreak on the part of the populace would shortly ensue. Señor Nuñez del Prado, who is one of the most prominent citizens of La Paz, and is at the head of the municipality of that city, then put himself into communication with the ministers, and explained to them the position of matters in the city. The president of the council of ministers, Doctor Reyes Ortiz, thereupon intrusted Señor Nuñez del Prado with the command of a small body of national guards in the place, in order to insure the peace of the city and put down any disturbance which might arise. That same night Señor Jofre, the minister of war, left the city, commissioned, according to Doctor Reyes Ortiz's statement, to proceed to Oruro and reorganize the fugitives from the Bolivian army, who would pass through that town. The populace of La Paz, however, looked upon the minister's departure as a flight, and, owing to this circumstance, and the subsequent vacillating conduct of the remaining ministers, affairs began to assume a more serious aspect. At last news, however, thanks to the energetic attitude of Señor del Prado, who, in accordance with the wishes of the ministry, had placed himself at the head of the available troops in the city, matters had taken a more favorable turn, and all danger of a disturbance had passed away. Señor del Prado issued the following proclamation to the people on the 27th:

Citizen DANIEL NUÑEZ DEL PRADO, President of the Municipality:

Hereby inform the people that after taking command of the public force yesterday, at 7 p. m., according to instructions received, with the laudable desire to preserve the peace of the city and maintain order, I am happy to be able to state that that object has been attained, thanks to the good sense and peace-loving disposition of the inhabitants of this town, who have voluntarily assisted to support the authority of the government, at present represented by its ministers intrusted with the executive power. Public order continues to be preserved with the disinterested co-operation of the young men of the city, who have now taken arms and been organized into a body which will aid to insure the success of the sacred war the republic is engaged in.

There has happily been no symptoms of disorder; the citizens continue their peaceful labors guaranteed by the constitution, with only one thought common to all—to save the dignity and nationality of the republic.

Every citizen is consequently called upon to contribute towards the great work of the country's defense.

La Paz, November 28, 1879.

DANIEL N. DEL PRADO.

No. 214.

Mr. Christiancy to Mr. Evarts.

No. 94.] LEGATION OF THE UNITED STATES,
Lima, Peru, December 23, 1879. (Received January 22, 1880.)

SIR: Since my dispatch No. 93, of last week, several important facts have occurred with reference to the Peruvian Government.

On the afternoon of the 18th instant President Prado, without any previous notice or suspicion, but with the full knowledge of the minister of war and the minister of foreign affairs, and probably of the whole cabinet, left Lima; went to Callao, and about 4 p. m. embarked on the English mail steamer Payta for Panama, as it was given out by his friends, with the intention of visiting the United States, and perhaps Europe, in the interest of Peru. But the general belief here among all classes seems to be that it was a desertion, a flight from the government, which, under an accumulation of calamities, he felt he could no longer hold with advantage to himself or to the country. I have no decided opinion as to which is the true version of the affair. I am inclined to judge him leniently, because he has been more favorable to constitutional government than most Peruvian politicians, and yet the difficulties of his position were so overwhelming that it is possible the most unfavorable explanation of the cause of his leaving may be the true one.

I inclose herewith a correct translation of his decree on leaving, taken from the South Pacific Times, merely remarking here that the resolution of congress of the 2d May, to which he alludes, was that which was intended to authorize him to command the armies of the republic in the south.

I inclose also a translation from the same paper of his address to the nation and the army, on leaving.

General La Puerta, the first vice-president, was thus left as President, and though all the old ministry tendered their resignations, he refused to accept them, and they all continued in office; General de La Cotera, minister of war and marine, continuing as president of the council, and virtually the head of the government, and though for years known to be a Piérolist, yet, like a true and gallant man, as he seems to have been, he felt bound to sustain the constitutional government. But immediately upon the departure of Prado a spirit of inquietude and want of confidence in the government seemed to pervade the public mind, and it was not difficult to discover that there was a general wish that Piérola should assume the dictatorship, all seeming to have more confidence in his intelligence and capacity than in any other man, and I must also say that the large majority of American citizens here (of whom there are perhaps one hundred in Lima, most of whom were connected with Henry Meiggs in his railroad projects), seemed to sympathize with this Piérola movement, though, like true Americans, they carefully abstained from taking any active steps in that direction.

Martial law having been already declared in Lima and Callao, on the 19th appeared a decree prohibiting the assembling in the streets of more than four men at any one place. But the inquietude still continued to increase. I could not avoid feeling the effects of a terrible ground swell about to sweep over the land like an earthquake wave.

Yesterday (Sunday) afternoon, while writing a private letter, about half past 4 p. m., I began to hear the tramp of infantry, and soon after of cavalry, in front of the legation. I supposed it to be a review, and kept on writing. But the tumult increased. I went to the balcony (which no one can understand who has not been in a Spanish town, and which is a projection in the second story over the street, some five feet wide, with sash and glass front and ends, from which you can see all along the street), and then I saw about one thousand infantry forming in line and some cavalry at each flank. The number was soon increased to about two thousand, and presently I saw mules and donkeys hurrying up with ammunition, and I began to be interested. I soon learned that two battalions of infantry, who had refused to obey the orders of the minister of war and whose colonels the government had attempted to remove, had mutinied and declared for Piérola, and their quarters were in the palace of the inquisition, on the opposite side of the Plaza de Bolivar (or Plaza de la Inquisition), and adjoining buildings exactly the opposite side of the same block on which the legation is situated.

In a few minutes after I had noticed this position of forces, and learned the object of La Cotera, to reduce the mutineers, the battle opened, at first only with small-arms—a constant roar and sheets of flame. General La Cotera (at the southwest corner of the plaza), fully exposed to the fire, on horseback, giving his orders with as much coolness as upon a dress parade. Soon there arrived upon the ground two mountain howitzers (they had no heavy artillery) and a Gatling gun, which kept up a constant roar. The mutineers being on the house-tops, all of which have flat roofs, and many of them a kind of parapet near the eaves, rising from 2 to 4 feet, were effectually protected from

the shots of the assailants, while the government troops, in the open streets, were fully exposed to *their* shots. The mutineers were but about 600, who had declared for Piérola, but the advantage of their position made them more than equal to the (about) 2,000 government troops. The soldiers fought well on both sides, except that some of the government troops, in the midst of the action, went over to the mutineers (as I learned afterwards; but it was around the corner and out of my view), and some of them whose officers were Piérolists disbanded and dispersed. But I saw not the slightest evidence of cowardice. The private soldiers on both sides are substantially all Cholos Indians, and a few negroes and mixed bloods. These Indians are a mild, gentle, amiable, and very industrious people, who do about all the labor that is done in Peru except by Chinese and negroes; and, though kept in slavery for more than three hundred years (and many still living who have been slaves), they are as good material for the rank and file of an army as can, I think, be found anywhere. They are small, wiry men, capable of much greater endurance than any white race I have ever seen, and only need to be well commanded to make most formidable armies. There was no shrinking as they fought in the streets exposed to the terrible fire from their almost invisible foes. I saw many wounded and carried away; saw several fall and one man killed instantly about five rods from my balcony on the street of Abancay, along which the main force of the government troops were placed—the lower or north end of the Plaza de Bolivar, where the hottest of the fight was, being in full view and about twenty rods from my balcony.

But these details are of no interest to you. I will only further remark that the battle continued from about twenty minutes before five until dusk. The mutineers were not dislodged. Continual defections had been going on among the various other regiments of the government troops elsewhere in the city, one after another going over to Piérola, and by the time that La Cotera returned to the Grand Plaza (on the north side of which the government palace is situated) he found Piérola in full possession of two sides—the east and south. He ordered his cavalry to charge, which they did, but they melted away before the terrible Remingtons of Piérola's infantry. But the government troops kept the north side plaza and the palace. This was early in the evening. The government forces seemed everywhere to be rapidly going over to Piérola, and about this time he received information that the city of Callao had declared for him, as well as the officers of the principal forts and batteries; and though he might, in a very short time, have triumphed in Lima and taken the palace by continuing the fight, he wisely determined (and I hope and believe from motives of humanity) to march with his forces for Callao, which he did, where he was hailed as a deliverer, all the forces, forts, and batteries declaring for him. He took possession of both railroads to Lima. No trains were run during the day. He was simply waiting for the remaining government forces at Lima to disintegrate or to declare for him; and he judged rightly, knowing the powerful influences at work.

The Catholic bishops, with whom Piérola has always been a favorite, went yesterday afternoon to the acting president, La Puerta, and satisfied him that, as the great mass of the people as well as the army were in favor of Piérola, to continue the contest longer would be a wanton waste of life. But La Cotera was the last to yield, and he was only made to yield by the officers of the regiments in the palace itself going to him late yesterday afternoon and assuring him that they could no longer be accountable for the fidelity of their men, and had themselves determined

to yield to Piérola; when, mounting his horse in the patio of the palace, with a few faithful friends as a guard, he rode out of the palace hissed and jeered by the rabble, but undismayed, and, with the rigid features of a bronze statue, scorning the servility of the crowd, rode off to his own house in Lima, preserving his honor and fidelity to the last, and commanding the respect of the thinking class, even of his enemies, who could not fail to see in him one of the last survivors of the proud and chivalric hidalgos of the Spanish race in its better, or, at least, its more heroic age. And yet, among the more intelligent men of all classes, the general verdict is that he was a man of more courage and chivalry than mental capacity.

But, however this may be, there is no avoiding the conviction that all hopes of constitutional government in Peru, for some time to come, went down with him.

Piérola, as is now supposed, will proclaim himself dictator. He is admitted on all hands to be a man of great mental capacity, of boldness, and decision, and it is generally believed that his inclinations are kind and humane. But he most thoroughly believes that in time of war, or any great national crisis, the law of self-preservation is superior to any written constitution. He is now to be tested, and so much is expected of him that it will be hard to meet all those expectations; and it is quite possible he may fail, and, in the course of a year, become as unpopular as Prado is to-day. In the mean time, however, since he has found that the whole responsibility rests upon him, he grows circumspect. He might have come in here last evening (Monday), and taken quiet possession of the palace and the government, and there was none to oppose him. But he waited, was expected to-day, and his friends telegraphed him to come, to which he replied, just before noon, in substance (I saw the dispatch in the telegraph office when it came): "Let all the military officers sign a document stating to whom they acknowledge obedience, so that I may know what orders to issue"; and up to this time, 6.30 p. m., he has not yet arrived in Lima. No one, however, seems to doubt that he will proclaim himself dictator.

I inclose you his letter of last evening, published in his paper this morning in Spanish, and if I can get the time before the mail will translate it.

DECEMBER 24—11 a. m.

Piérola at 7 p. m. came up with a large body of officers and took quiet possession of the palace and the government, and to-day for the first time in three days the doors of the various places of business and of the private dwellings are open, the police are again on duty at every street corner, and all seems quiet and peaceful.

The revolution in this part of Peru is an accomplished fact.

But, am I at once to recognize this revolutionary government or wait for instructions? I think the latter is my true course for the present, and I shall therefore refrain from presenting the commission of Mr. Griffith, as vice-consul at Callao (received by the last mail in your No. 48), for an exequatur.

You will see by my dispatch No. 88 that I had anticipated the present state of things, and asked instructions, which, for the present, I shall await.

I have expected to see before this hour some proclamation or pronunciamento issued by Piérola showing his general plan of government, but up to this hour, 12 m., none has appeared.

I am, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 94.—From the South Pacific Times.]

DEPARTURE OF PRESIDENT PRADO.

His Excellency President Prado came from Lima, accompanied by several of his ministers, by the train which left Desamparados Station at 3.5 p. m. on Thursday last. Arriving at Callao, he at once proceeded on board the Pacific Steam Navigation Company's steamer Payta, which left that afternoon on her regular itinerary for Panama. The following morning two documents, of which the following are translations, were published:

MARIANO IGNACIO PRADO, Constitutional President of the Republic.

Inasmuch as I am authorized to leave the country by a legislative resolution of May 2, 1879, and very urgent and important matters demanding my presence abroad, and it being my duty and desire to do all I can in favor of the country,

I decree:

Solely. That the first vice-president take charge of the presidency of the republic in conformity with articles 90 and 93 of the constitution.

* * * * * * * *

Given in the government house in Lima on the 18th day of December, 1879.

MARIANO I. PRADO.

MANUEL G. DE LA COTERA.
B. ELGUERA.
ADOLFO QUIROGA.
J. M. QUIMPER.

[Inclosure 2 in No. 94.]

PROCLAMATION OF PRESIDENT PRADO.

The Constitutional President of the Republic to the Nation and to the Army:

FELLOW CITIZENS: The great interests of the country demand that I shall leave to-day for abroad, separating myself for a short time from you, at a time when considerations of a different order counsel my remaining among you. The motives which induce me to adopt this resolution are in reality very great and very powerful. Respect it, for a man who like myself serves his country with good will and complete self denial has a right to exact it.

Soldiers, if your arms suffered partial disaster in the first days of November, on the 27th of the same month they were crowned with glory in the province of Tarapaca. I am sure that under any circumstances you will imitate the example of your comrades in the south.

Peruvians, his excellency the senior vice-president of the republic remains intrusted with the executive power, in accordance with the law. I recommend him to you to aid him in his acts with your co-operation.

In taking leave of you, I give you the assurance that I shall in due time be with you again. Have faith in your fellow-citizen and friend,

MARIANO I. PRADO.

LIMA, *December* 18, 1879.

[Inclosure 3 in No. 94.]

PROCLAMATION OF GENERAL PIÉROLA.

To the People and the Army:

Silent and sorrowful before the exigent demands of the people and the army, I resigned myself to circumstances during the days which followed the shameful flight of Prado and the advent of the superannuated General La Puerta, hoping that the army would decide at last to overcome the scruples of a misunderstood loyalty which stayed a part of it from acting according to its convictions, which are those of the nation, and desirous of avoiding any collision between brothers and the loss of a part of our forces.

The headlong and impatient ambition of General La Cotera, after brutally stifling the unanimous voice of the people of Lima and Callao, provoked a conflict yesterday, employing the forces under his command to disarm the patriots of the army whose only aim was the salvation of the country and the defeat of the foreign foe.

In Lima but a few moments sufficed to show how irresistible was the patriotic desire of the people and the army, and it would have sufficed for me to remain a few hours more in the capital to end all resistance.

Yielding, nevertheless, to the motives I have already expressed, I preferred to retire to this city, which has received me without any manner of resistance, to the end of making impossible all chance of strife between brethren and of favoring the tranquil adhesion of those remaining in Lima to the political *régime* proclaimed months ago by the whole nation.

Thus all conflict is made utterly inexcusable, and throws in its true light the responsibility for its evils upon its sole authors.

That portion of the army still under their orders in Lima, will not, I am confident, permit this responsibility to become a fact, to the immeasurable injury of all. The hour of national reparation has struck. In the series of disasters which have marked the history of our foreign war, Peru has no part. In shaking off, as she now does, the old rule, she raises the most eloquent protests against that deplorable history, and presents herself worthy of her name and her destinies before the other peoples of the earth.

For us there is, as there can only be, but one aspiration: a swift and full triumph over the foreign enemy. To achieve this work, we are now all brothers, without the memory even of our past divisions, and drawn one to another by the indissoluble tie of love for Peru.

Whatever may retard for an instant the complete national unity is an act of treason to our country. Unity is the one condition of the power and triumph of Peru. To that end has ever consecrated and now consecrates his most zealous efforts, your fellow citizen and comrade in arms,

N. DE PIÉROLA.

CALLAO, *December* 22, 1879.

No. 215.

Mr. Christiancy to Mr. Evarts.

No. 97.] LEGATION OF THE UNITED STATES,
Lima, Peru, December 24, 1879. (Received January 22, 1880.)

SIR: I have the honor to inclose you a copy of my letter of the 19th instant to our consul at Iquique, in reference to his mails and in reference to his consular duties while that place shall remain in full possession of the Chilian forces.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure in No. 97.]

Mr. Christiancy to Mr. Merriman.

DEAR SIR: Your two letters of the 23d ultimo were received some days since, and your previous letter as to the mails being stopped at Arica. But I waited to answer until I could see some way of getting a letter to you. Admiral Rodgers informs me that the English admiral expects to send one of his vessels as far south as Iquique, on Saturday, the 20th, and that he has politely offered to take any mail for him or me.

As to the mail having been heretofore stopped at Arica, this seemed unavoidable, as this government, so far as it had the power, had closed the port of Iquique. The minister of foreign affairs informs me that their post-office department will see that all the mail for you from here shall, as far as in their power, be delivered to our consular agent, Mr. Nugent, at Arica, to be forwarded by him in any way he may find practicable.

I notice what you say of the proceedings on the surrender of Iquique to the Chilian forces, and the means taken to preserve order. I think your course and that of the consular corps was wise and prudent. The document signed by the consular corps, with its translation, was also received, which, I think, shows that you acted wisely and well.

As to your suggestion to have it published, I did not think it right to publish it without the consent of the government here, and called on the minister for foreign relations for the purpose of ascertaining his wishes in the matter, and left with him for examination the Spanish copy, to be returned after he should have examined it. Two or three days after, he returned it, but without saying whether he wished it published or not; and as so much time had passed I did not think it best to press the publication so long after the event. But the government have not indicated to me the slightest disapprobation of the course you pursued, nor of the action of the consular corps.

I suppose you have forwarded a copy to Washington, and given them full information, or I would have sent a copy of this document and of your letter.

The taking of Iquique by the Chilian forces very materially circumscribes the sphere of your official powers; for while that place, or any other over which your jurisdiction as consul previously extended, is clearly under the complete control of the Chilian power, you can exercise no strictly official power except by the courtesy and consent of the Chilian authorities. They have the right, while in complete possession and control, to establish their own regulations, and may, if they choose, give to the captain of the port, for instance, or any other official appointed by them, full authority to grant clearances to vessels, &c., during their occupation of the place. Doubtless, from comity or courtesy (as they seem lately to be very liberal neutrals), they might assent to your exercising your official functions. But as Peru has, so far as she has the power, declared the port of Iquique closed, and you exercise your functions only by virtue of an appointment to Peru and under an exequatur from that power, I should recommend that you abstain from granting clearances to any vessels which would ostensibly give the right to enter Peruvian ports, because this, I am quite sure, would not now be respected by the Peruvian authorities.

While the complete and efficient control of the Chilian authorities continues over any part of the territory within your former jurisdiction, I should not attempt to exercise official functions in such territory occupied by them, except with the express or tacit approval of the Chilian authorities. But from comity and courtesy those authorities will doubtless recognize you as the protector of American citizens and their interests. It is for the present but a mere suspension of your official functions; and if Iquique or any other place within your former jurisdiction, now in the control of Chili, should in the end revert to Peru, your official functions would also revert to you as before.

I am, &c.,

I. P. CHRISTIANCY.

No. 216.

Mr. Christiancy to Mr. Evarts.

No. 98.] LEGATION OF THE UNITED STATES,

Lima, Peru, December 31, 1879. (Received January 22, 1880.)

SIR: Referring to my dispatch No. 94, showing the events which led to the breaking up of the old (nominally) constitutional government and the accession of Don Nicolás de Piérola to the dictatorship, I have the honor to inclose you several decrees and addresses of the dictator, showing the nature of the government established by him and the nature of the means employed to carry his will into effect; all of which, as you will perceive, have the merit of clearness and brevity.

From these various papers you will be able to judge of the present status of the government here.

I enumerate these various papers in the statement of inclosures herein.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 98.—Translation.]

NICOLÁS DE PIÉROLA, Supreme Head of the Republic:

Considering:

Firstly. That the inhabitants of Lima and Callao, by their respective acts, have spontaneously invested me with the supreme authority in the State, with full and complete powers;

Secondly. That the army and navy of the republic have adhered to this step, which has been long the general aspiration of the country, and that it is confirmed by the army in the south and by all the towns in telegraphic communication with the capital;

I decree:

SOLE ARTICLE. With the title of Supreme Head of the Republic I accept the position and powers with which I have been invested.

The chief clerk of the ministry of foreign affairs is intrusted with the publication and communication to the proper persons of this decree.

Given in the government house in Lima, this 23d day of the month of December, 1879.

NICOLÁS DE PIÉROLA.

By order of his excellency.
The chief clerk of foreign affairs,
E. LARRABURE Y UNÁNUE.

[Inclosure 2 in No. 98.—Translation.]

Letter to His Holiness, Leon XIII.

NICOLÁS DE PIÉROLA, *Supreme Chief of the Republic of Peru.*

MOST BLESSED FATHER: A spontaneous vote of Peru, given simultaneously and unanimously by the people and the military and naval forces, has just invested me with the supreme command of the republic, with omnipotent powers, which, in accordance with national inspirations, manifested perseveringly for some time back, and with the most ardent desires of my heart, will be employed for the regeneration of the political institutions, which urgently demand it, striving before all else to prepare the triumph of our arms in the war in which we are engaged with Chili.

In communicating to your holiness my investiture with the supreme authority of this republic, so dear to the paternal heart of your holiness, I feel the most intimate complacency in solemnly ratifying the sentiments of unyielding faith and filial love with which I kiss the august hands of your holiness, asking from you your apostolic benediction.

Given in the palace of Lima on the 23d day of the month of December, in the year of Grace 1879.

[L. S.] NICOLÁS DE PIÉROLA.

The secretary of State for the department of foreign affairs and worship:
P. JOSÉ CALDERON.

[Inclosure 3 in No. 98.—Translation.]

The supreme chief has addressed the following letter to the chiefs of friendly States:

NICOLÁS DE PIÉROLA, *Supreme Chief of the Republic of Peru.*

GREAT AND GOOD FRIEND: The unanimous acclaim of the people, the army, and the navy of the country has just invested me with the supreme magistracy of Peru, with omnipotent authority, which I shall exercise, keeping in view the regeneration which our institutions demand, but above all and before all the triumph of the arms of the republic in the war in which it is engaged with Chili.

In announcing to ——— ——— my investiture with the supreme power, I have the very especial satisfaction of expressing the sentiments of loyal friendship in which I abound towards the and the person of , for whose prosperity and glory I offer the most sincere and fervent prayers.

Given in the palace of Lima on the twenty-third day of the month of December, in the year of our Lord 1879.

[L. S.] NICOLÁS DE PIÉROLA.

The secretary of state for the department of foreign affairs and worship:
PEDRO JOSÉ CALDERON.

[Inclosure 4 in No. 98.—Translation.]

NICOLÁS DE PIÉROLA, *Supreme Head of the Republic.*

Considering the inconvenience of the decree of interdiction of the 8th of November last, it is hereby annulled.

The secretary of finance is intrusted with the fulfillment, publication, and circulation of this decree.

Given in the government house in Lima this 25th day of December, 1879.

N. DE PIÉROLA.

MANUEL A. BARINAGA.

[Inclosure 5 in No. 89.—Translation.]

Provisional statute.

NICOLÁS DE PIÉROLA, *Supreme Head of the State.*

Inasmuch as it is my intention to conciliate the respect due to natural justice and the traditional policy of the republic, with the ample and speedy action which the regeneration of our institutions and the definite and glorious triumph of the national arms require—

I do hereby sanction the following provisional statute:

ARTICLE 1. The sovereignty and independence of Peru are the bases of its political and social existence.

ART. 2. The unity of the Peruvian family and the integrity of the territory, historically and juridically belonging to it, cannot be interrupted nor lessened without committing an act of treason against the country.

ART. 3. Article 4 of the old constitution relating to the religion of the State will remain unaltered.

ART. 4. The government guarantees primary instruction to all citizens, and encourages superior and scientific instruction.

ART. 5. The independence of the judicial power is sanctioned; but the government reserves to itself the right of watching effectively over the prompt and correct administration of justice.

ART. 6. The civil and penal codes remain in full vigor and force, whilst the necessary reforms are being initiated with regard to them.

ART. 7. Personal security, liberty, and property are guaranteed by the government.

The right to honor; equality in the eyes of the law; the liberty of the press, anonymous writings being prohibited; any such will be punished as pasquinades. Offenses committed through the medium of the press will not change their nature thereby, and will therefore be judged by the respective courts.

The liberty of industry, provided that same be no way harmful.

The liberty of association.

The right of petitioning for justice or pardon, individually or collectively, but in due form and manner.

ART. 8. Treason against the country, military cowardice and insubordination, desertion in the field, peculation, breach of public trust, bribery, embezzlement of public property, premeditated and treacherous homicide, robbing in gangs, whatever be the condition of the guilty party or the character with which he be invested, will be judged according to military law during the present war, and capital punishment inflicted. The property of anonymous societies, industrial, mercantile, or banking establishments, will be considered as public property for the application of the sentence.

ART. 9. Civic virtues and brave and heroic deeds will be rewarded by the munificence of the nation through the medium of its head.

ART. 10. A council of state is hereby created, composed as follows:

Of the archbishop of Lima.

The president of the congress of jurists.

The president of the supreme court of justice.

The president of the comptroller's office.

The prior of the consulate court (of commerce).

The rector of the University of Lima, and six councillors more, who will be appointed by the Supreme Head of the Republic, and one of whom must be a general of the army.

ART. 11. The government will consult the council of state with regard to such matters as, in its opinion, may require it. It will also act as a court of appeal and final decision in all litigious questions connected with the administration.

ART. 12. This statute will remain in force until the republic be endowed with definite institutions.

Given in the government house in Lima this twenty-seventh day of the month of December, 1879.

NICOLÁS DE PIÉROLA.

The secretary of state for foreign affairs and worship, and temporarily for government and police:
PEDRO JOSÉ CALDERON.

The secretary of state for justice and instruction:
FEDERICO PÁNIZO.

The secretary of state for public works, commerce, &c.:
MARIANO ECHEGARAY.

The secretary of state for war:
MIGUEL IGLESIAS.

The secretary of state for maritime affairs:
MANUEL VILLAR.

The secretary of state for financial matters:
MANUEL A. BARINAGA.

[Inclosure 6 in No. 98.]

Military organization of the Republic.

NICOLÁS DE PIÉROLA, *Supreme Head of the Republic.*

Considering:

That it is absolutely necessary to furnish the country with a proper military organization in order to insure the defense of its sovereignty and integrity of its territory,

I decree:

ARTICLE 1. The military forces of the nation will be formed of four armies in active service, as follows: Two armies of the south, styled first and second, respectively; one army of the center; one army of the north.

ART. 2. The reserve forces of these armies will be divided into *movable and stationary reserves.*

ART. 3. The following rule will be observed in raising the contingents for the formation of the different armies: Every Peruvian from 18 to 30 years of age must enter the army on active service, and those from 31 to 50 years old the reserve.

ART. 4. The respective contingents will be formed by the sub-prefects of the provinces, and placed at the orders of the departmental authorities.

ART. 5. The following are exempted from obligation of belonging to the army on active service and the movable reserves:

1st. All public employés in general.
2d. Professors of instruction exercising their profession.
3d. Members of colleges and universities.
4th. Those citizens who contribute 50 soles or more monthly for the war.
5th. Proprietors and employés of printing offices and printers.
6th. Lawyers and medical men exercising their professions, as proved by the respective license.
7th. Hospital and ambulance employés.
8th. The only sons of widowed mothers.
9th. The only brother of any citizen killed in the battles of the present war.
10th. All citizens physically disqualified for the profession of arms.

ART. 6. The stationary reserve will be formed of the citizens exempted by the foregoing article, and the superfluous forces of the movable reserve.

ART. 7. The contingents of the army on active service which result to be superfluous will join the reserves.

ART. 8. The organization of the armies will be decreed separately.

ART. 9. The secretary of state for war is intrusted with the fulfillment of this decree.

Given in the government house in Lima this 26th day of December, 1879.

N. DE PIÉROLA.

MIGUEL IGLESIAS.

No. 217.

Mr. Christiancy to Mr. Evarts.

No. 99.] LEGATION OF THE UNITED STATES,
Lima, Peru, December 31, 1879. (Received January 22, 1880.)

SIR: I have the honor to inform you that on the 26th instant I received a notice from the dean of the diplomatic corps, the legate of the Pope, that a meeting of the diplomatic corps in Lima would be held at his legation on the 28th at 3 p. m., and inviting me to attend, which I did.

I found, on meeting with the corps, as I expected, that it had reference to a recognition of the newly-installed government of Piérola, who had, through the dean, invited all the corps to call upon him at the palace on the 1st proximo, as had been customary here.

I listened for some time to what they had to say, and found that, so far as any expression was given, it was in favor of accepting the invitation. I then inquired if it was to be understood that the acceptance of the invitation would be considered as equivalent to a full recognition by our respective governments of the newly-established government, to which most, if not all of them, replied in the affirmative. I then explained fully to the corps the principles upon which I understood our government to act substantially as you will find stated in the inclosed letter to Mr. Calderon, the secretary of foreign relations, and said to the corps that I could not accept the invitation and make the call, except subject to that explanation, and reserving to my government the right to decide that question for itself; and that if I did attend it would be under an express explanation to this effect, but I also informed them that about the beginning of the month, anticipating the contingency which has happened, I had written for instructions, &c.

At the conclusion of the meeting I had in fact come to the conclusion that I would not join the corps in making the call, but subsequent reflection satisfied me that an unconditional refusal on my part (when all the other representatives of foreign powers had resolved to accept) might be interpreted as unfriendly to the government, which is, after all, the only government here, and so far as we have yet been able to hear from the people of Peru, much more acceptable to, and popular with, the people than the government it has displaced. I therefore concluded, in order to avoid misconstruction, to take the middle course indicated by the letter, a copy of which I inclose.

Hoping before this reaches you to have instructions which will authorize me to act,

I remain, &c.,

I. P. CHRISTIANCY.

[Inclosure in No. 99.]

Mr. Christiancy to Señor Calderon.

LEGATION OF THE UNITED STATES,
Lima, Peru, December 30, 1879.

MONSIEUR LE SECRÉTAIRE: I have the honor to acknowledge the receipt of your letter of the 26th instant (No. 30), informing me of the change in the Government of Peru, which has resulted in constituting His Excellency Don Nicolás de Piérola supreme head or governor of Peru, with full powers, &c., and that your excellency has been appointed secretary of foreign relations and worship. I cordially reciprocate

the wish expressed by your excellency that the ties of friendship now so happily existing between the Republics of Peru and the United States of America may become every day more intimate under whatever form of government the people of Peru may choose to adopt.

But your excellency will appreciate the frankness and candor which compel me, as the representative of the United States of America, to explain the principles upon which, according to my understanding, my government acts upon the question of recognizing governments originating in revolution, and not according to the constitution or accustomed forms of law.

The Government of the United States recognize the people in all governments as the only legitimate source of political or governmental power, and though itself a constituent government it recognizes equally the legitimacy of any form of government the people of any nation may choose to adopt, either by formal vote or by tacit consent evinced by general acquiescence.

But being itself, and for itself, thoroughly devoted to constitutional government, it has not, as I understand its policy, committed to its ministers abroad, without instructions, the discretion and the right to bind it unconditionally upon the question of recognizing a new form of government, as in the present case, or, in other words, of finally deciding upon the nature and amount of the evidence showing the approval or acquiescence of the people in the change. And the case must be a very clear one indeed which would authorize its minister to take definitive action without instructions. In this view, and anticipating the change which has taken place here about the 1st of the present month, I asked instructions from my government with reference to the contingency which has occurred, and shall expect to receive them in the course of two or at most three weeks from this date.

In the mean time, while, from personal respect for the chief of the State and for yourself personally, as well as from a desire to throw no obstacle in the way of the successful action of the government, I may take part in acts from which recognition by my government might otherwise be implied. I, therefore, ask to reserve to my government the right of final decision of the question of recognition.

I avail myself, &c.,

I. P. CHRISTIANCY.

No. 218.

Mr. Christiancy to Mr. Evarts.

No. 102.] LEGATION OF THE UNITED STATES,
Lima, Peru, January 6, 1880. (Received February 3.)

SIR: Referring to my dispatches Nos. 90 and 91, I will say that there is little news of any importance of the operations of the armies on land; though the Chilians having now full possession of Tarapaca (and apparently will soon have of Tacna and all that vicinity) if not by this time of Moquequa (or Moquehua) have, as we learn to-day, landed a small force at Ylo and blockaded Mollendo, and it seems probable they intend to take those places, and with the force they now have and reinforcements about to be sent, to effectually cut off the communication of the allies at Arica with the interior by land, as they have already cut them off by sea, and thus, in time, to compel their surrender.

Peru has literally now no fleet afloat, except what is in the harbor of Callao, and one monitor at Arica. Chili has not yet attempted to blockade Callao, but is carrying on a desultory warfare upon Peruvian launches along the coast, and has destroyed all the guano works and launches at Lobos de Afuera, putting a full stop to all the guano trade of Peru for the present.

General (or President) Daza was deposed from the command of the Bolivian army on the 27th ultimo, but whether by the Bolivian Government or by the army officers, or both, I cannot yet ascertain, nor whether it is intended to deprive him of his position as President. But

Col. D. E. Camacho commands the Bolivian army; and the movement which brought about this change seems to have been one strongly in favor of the Peruvian alliance.

The government here is rapidly raising troops in the interior and bringing them to Lima and Callao; but they are of little use here, unless the Chilians should make a land attack here, which they will not do while the allies have their present strong force in the south, and the troops here cannot be sent to the aid of the army in the south by water, even as far as Mollendo, without an even chance of being captured; and to send them by land with the necessary munitions and supplies would require several months.

The present government keeps its own council better than the old, and we therefore can form no definite opinion as to the uses intended to be made of the large and constantly-increasing force here, whether it be intended for the southern army or only to meet an attack here should the southern army be defeated or compelled to capitulate. In the mean time the finances are not improving. Paper soles have stood now for about a week at 85 for an American double eagle, or say 83 for a draft on New York, and the sol is worth in exchange on London a fraction over 11 pence. What is to improve its value I do not see, though I see many causes which may reduce it still more.

I have, &c.,

I. P. CHRISTIANCY.

P. S.—January 7.—It now appears from news just received that Daza was deposed by the unanimous voice of the officers of the Bolivian army. We have also a rumor of a revolution in Bolivia, putting Dr. Oblitas in power, but nothing definite.

No. 219.

Mr. Christiancy to Mr. Evarts.

No. 103.] LEGATION OF THE UNITED STATES,
Lima, Peru, January 7, 1880. (Received February 3.)

SIR: Referring to my dispatch No. 98, I have the honor to say that I intended to have inclosed you in that dispatch the letter of General de la Cotera of the 27th ultimo, justifying his action in the late (nominally) constitutional government, which had not been translated by the press into English at the date of my dispatch, and which I had no time to translate. I inclose you now a translation taken from the South Pacific Times of the 1st instant. This explanation or appeal to the public would have had much more moral effect here if the author himself had not been known as a chronic revolutionist in the past, and if it were not quite generally believed here, as intimated in my dispatch No. 88, that he was the secret instigator of the abortive uprising of the 22d November to make him, instead of Piérola, dictator. But whatever may be the final verdict of history, the verdict of Peru, if taken to-day, would be that circumstances alone, and not principle, had made him; for the moment, the representative of constitutional government, that his sentiments of chivalry and personal honor were too strong to permit him to abandon the position in which he had been placed, *unless* by such *abandonment* he could *himself* be made dictator; that he has always

appeared to better advantage in defeat than in victory, and that he never exhibited so much elevation of character as in his final, crushing defeat and deposition from power—if it should prove to be final. As to the government of the dictatorship, it must be acknowledged that it has shown much more activity, vigor, and consistency of purpose than the old.

It has been very prolific in decrees, which are too numerous for me to undertake to translate. They will soon constitute a code of themselves. At present they mostly relate to perfecting the organization of the government, and are generally well calculated to effect their object. In style they are admirable for their brevity—a brevity, however, which when the decree relates to individual rights (like most other dictatorial decrees) is ominous of liberty; and which assumes that all human affairs can be regulated upon a few straight lines or mathematical curves, and wholly ignores the infinite variety of forms which they assume, and subjects all those rights to what one man may determine that the public exigencies require.

I call your attention here to that portion of the decree in the nature of a provisional statute (sent you in my dispatch No. 98), which relates to the press, and the official construction which has been given it. Though by its terms only intended to take effect in thirty days, it has been officially construed to take effect at once in Lima and Callao. It has also been construed and enforced, as prohibiting a mere compilation of news from other papers, without the signature of the compiler; from which it will be seen that the same arbitrary discretion has been assumed in the construction as in the enactment of the decree.

But a decree suppressing the liberty of the press seems everywhere to be and to have been the logical and necessary consequence of a dictatorship.

I call attention, also, to that provision of the provisional statute in reference to religion, which, though in exact accord with the constitution, indicates by the promptness with which it was announced by decree, the influences which brought about the dictatorship and which are to be at once conciliated. The provision of the constitution referred to (Article 4) is in these words: "La nacion profesa la religion Catolica, Apostolica Romana, el estado la proteje, y no permite el ejercicio de otra alguna." Anglice: The nation professes the Catholic Apostolic Roman religion; the State protects it and does not permit the public exercise of any other.

But whatever may be the merits or demerits of the present dictatorial government, one thing is thus far clear, so far as yet heard from all parts of Peru, it seems not only to be acquiesced in, but to have met the approval of the people, the army and the navy, and, therefore, as I understand the principles adopted by our government, must be recognized as the choice of the people of Peru, and, therefore, in the international sense legitimate. There is no pretense of any other government.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure in No. 103.—Translation.]

Manifest of General la Cotera to the nation.

Although I calmly await the verdict of history with the clear conscience and proper pride which the fulfilment of duty inspires, I consider it right to protest before the

country against the unfounded and rash accusation which the leader who has victoriously raised himself to power upon the ruins of the constitution, has launched at me.

Don Nicolas de Piérola looking about him for a victim, has chosen the writer as the object upon whose reputation as a soldier of the law, to cast the dark shadow of blame, a shadow which the conduct of the army itself has tended to dissipate, which in the moment of trial, seconding the example of its principal commanders, made the road easy for him to raise himself to power.

My stupid and impatient ambition is, in the opinion of the supreme head, the sole cause of the disgraceful and lamentable events of Sunday last; an ambition that was endeavoring to realize by various means, the political regeneration which the *outlaw of yesterday* and the *patriot always* has undertaken in face of the foreign invader, tearing into pieces the banner of the law.

Therefore it is easily to be understood that supposing me to have entertained those freedom-stifling intentions, it has not been that ambition which we both possessed in Señor Piérola's opinion that induced him to upset legality, but the fear lest it should not be he but myself, who should put, it into practice.

The country can consequently judge which of the two has been most animated with a *stupid and impatient ambition*. With regard to myself, there has only been the groundless suspicion of such a thing, whereas in the case of Señor Piérola that ambition has been practically evidenced, the writer's only crime in the eyes of his party, consisting in having endeavored, as a minister of the law, to defend constitutional order. If this is a crime, I am proud of being guilty of it.

To a calm and dispassionate observer of the late events, it is an undeniable truth that the triumph of Señor Pierola is due to the attitude assumed by the army, an army formed principally by myself, with all the abnegation and impartiality which the country's defense demanded of me. In forming it I had solely in view the luster of the noble profession which I have from an early age and the triumph of our arms over the treacherous enemy that has invaded our soil.

I never stopped to consider the political bearing of the officers to whose care I entrusted the brave bodies of men that swarmed in from the departments at the sacred call of an endangered country, and although I was aware that many of the generals and colonels I gave commands to, were addicted to Señor Piérola's cause, I never once harbored the slightest suspicion that in the critical moments we are passing through they would disregard the mandates of the law.

Colonel Arguedas is an example of the truth of my assertion. His sympathies for the political cause which has now triumphed were well known to me; notwithstanding I willingly gave him of the "Yca" battalion, in the belief that when the moment arrived for him to do battle with the foreign foe, he would fully sustain the reputation of our army.

Where, then, is that stupid ambition?

As minister and as an old soldier, I should have sought the aid of my companions in arms for the attainment of my revolutionary plans, and notwithstanding events have proved the falsity of the imputation with which they have endeavored to tarnish my honor, and shown that that army, my own creation, was a powerful auxiliary of a strange and impatient ambition.

History will judge the high representatives of that army, who, disobeying the legal government in the hour of danger, urged their subordinates to revolt and desertion; a fatal precedent which will prove a source of bitter and tremendous woe to the country.

The result of the late events, however, is perfectly logical. A target for the vengeful arrows of two parties, which for a long time have been striving for power, and one of them counting with the sympathies of the men who were called upon to defend the constitution, it was natural that I should succumb, alone and abandoned.

To the "Civil" party, to whose cause I have never lent my humble aid, I have been a living threat; to the Piérolists an obstacle.

Previous to last Sunday Civilists and Piérolists together respected the authority of the government of which I formed a part; but on that day of the final result the joy of the latter has been as the sadness of the former. A providential punishment! the voluntary suicide of a party devoured in the last days of its existence by rage and hatred.

There, therefore, remains to me the satisfaction of returning to private life without anything to stain my reputation as an old soldier, having fulfilled my sacred duty in the high position of president of the council of ministers and minister of war, conquered, it is true, but not in fair fight, as I have been accustomed to conquer and be conquered during my long public career.

With regard to my proceedings as a minister, I appeal to the impartial testimony of those of my fellow-citizens who are not blinded by political passions.

As long as I was a minister, my sole efforts were for the defense of the country; and in the firm persuasion that any revolution under present circumstances was a crime, I have fallen in defense of legality.

I trust, also, to the gentlemanly feelings of my successor that he will find valuable

elements ready to hand, due to my persevering activity, and about which I do not consider it necessary to enter into particulars.

In a calm and resigned state of mind, therefore, I have no fear of the wrath of the powerful, and in the privacy of my home, far from the fierce arena of politics, I shall only gird on my sword again to fight the common foe.

MANUEL GONZALEZ DE LA COTERA.

LIMA, *December* 27, 1879.

No. 220.

Mr Christiancy to Mr. Evarts.

No. 104.] LEGATION OF THE UNITED STATES,
Lima, Peru, January 14, 1880. (Received February 7.)

SIR: I have the honor to inclose to you translations (taken from the South Pacific Times of yesterday) of several decrees of the Supreme Head of the Republic, and of other papers, showing the action of the government, as enumerated in the list of enclosures hereto appended.

These various decrees explain themselves about as well as I can explain them in a single dispatch, except that releasing the German steamer Luxor. That steamer was seized at Callao in May or early in June last for having brought contraband of war (guns and ammunition) from Montevideo to Valparaiso, for the Chilian Government. She was condemned by the prize court of Peru, and that decision affirmed by the supreme court of Peru. Still as she was not seized *flagrante delicto*, nor until her outward voyage had been completed and she had discharged her cargo at Callao, and was taking on return cargo, many doubts were expressed on the legality of the sentence. Some of the foreign ministers here had emphatically denied its legality. I was asked to give my opinion, but declined, as I could see no reason to justify me in meddling with it.

There was one thing, however, which weakened the force of the judgment materially. The court had based their judgment mainly on the ground of Peruvian statute law; and Peru alone could not create international law.

I have, &c.

I. P. CHRISTIANCY.

[Inclosure 1 in No. 104.]

THE FOREIGN DEBT.

NICOLAS DE PIÉROLA, *Supreme Head of the Republic.*

Considering—

First. That it is absolutely necessary to provide for the payment of the foreign debt of Peru, and to better the unfavorable conditions in which our creditors are placed, to their own prejudice and that of the credit of the nation.

Second. That the fiscal state to which the country is reduced, renders it impossible for it to fulfill to the letter the obligations it has contracted with respect to the holders of bonds of the foreign debt, and it is therefore compelled to discharge said obligations as far as its present resources will allow.

Third. That the greater portion of that debt originated in the construction of the national railways, to which purpose the loan was applied, and that, not only are the said railways specially mortgaged for the payment of the debt in question, but, the latter not being able to be duly attended to, they belong by right to our creditors.

Fourth. That the portion of the national territory where the guano deposits lie, also reserved for the payment of our foreign debt, having been occupied by the enemy, until said territory be recovered it is impossible to attend with the product of those resources

to the payment of the debt, and it is indispensable, for the sake of our creditors themselves, to look with preference to the guano stocks in Europe for the necessary funds wherewith to attend to the prompt recovery of said territory.

Fifth. That as a modification of the conditions of payment of our debt is inevitable, the changing of the scrip likewise becomes inevitable.

I decree:

First. That the debts contracted in Europe in 1870, that which bears the name of the 1872 loan, and the bonds issued for the Pisco and Ica railroad, be consolidated into one single debt.

Second. That the following national railways, as they now stand, be made over to the holders of the bonds of the foreign debt of Peru, viz: the Mollendo and Cuzco, Ilo and Moquegua, Pisco, Ica, Lima, Chancay and Huacho, Callao and Oroya, Salaverry and Trujillo, Chimbote and Huaraz, Pascamayo and Cajamarca, and Payta, and Piura, for the amount of their cost in coin, the shares being exchanged for the bonds at par.

Third. Every bondholder will receive in railway shares and in new scrip, the total value of his present bonds, in the proportion of the amount for which the railways are handed over to the remnant of bonds to be exchanged.

Fourth. The transfer to be unconditional and effectual; so that the state will not exercise other rights over the said railways than those which it possesses over railways constructed and worked by private industry.

Fifth. The companies which may be constituted proprietors of these lines are authorized to extend them to their termination, and work them, enjoying an exclusive privilege during twenty-five years, to be counted from the date of transfer, and with the liberty of importing free of duty the materials required for the termination of such lines as are not entirely finished.

Sixth. In order to effect the operations to which the present decrees refer, let a committee be appointed in London, to be presided over by the minister plenipotentiary of Peru in Great Britain, and to be composed of himself, of the representative of the firm which last served as financial agent for Peru in Europe, and a citizen to be appointed by government. The bondholders, should they think fit, can depute two representatives of their own to take part in the labors of said committee.

Seventh. The transfer of property referred to the preceding articles having been effected, the remaining bonds of the foreign debt will be converted into new scrip at par, bearing the same name as that exchanged, which scrip will be served with an accumulative four per cent. per annum, applicable to the interest of two and a half per cent. each year, payable half yearly, and one and a half per cent. sinking-fund.

Eighth. The amortization will take place every six months, by means of sealed tenders under par, presented to the financial agency, and by lot, at par, for such portion as said sinking-fund fails to cover.

Ninth. Peru devotes to this service, as soon as the exportation of guano is resumed, the sum of two pounds on every ton which it sells in the markets of Europe and colonies (excepting the markets of France and Belgium), said two pounds to be deposited in the Bank of England by the seller of the Peruvian guano in the aforesaid markets, the half yearly service of the bonds being attended to with these funds, and whatever is over to be reserved for the next half year for the same purpose.

Tenth. In order fully to guarantee said service, the obligation of the contractor with Peru to make the deposit in question will be inserted in the guano-sale contracts which Peru may make; the holders of Peruvian bonds being henceforth and for the future authorized to embargo the guano exported, should said deposit not be made.

Eleventh. The stock of guano at present existing in Europe and its colonies, after the obligation it is pledged to, and the sum which Peru takes for the releasing of the guano deposits now occupied by the enemy, are discharged, will be applied to the extraordinary amortization of the Peruvian bonds, the service of interests and ordinary amortization to commence from the date of resumption of exportation of the article.

Twelfth. The representative of Peru in Europe will inform the holders of Peruvian bonds of the present decree.

The secretary of state of finance is intrusted with the fulfillment of this decree.

Given in the government house in Lima, this 7th day of the month of January, 1880.

NICOLAS DE PIÉROLA.

MANUEL A. BARINAGA.

[Inclosure 2 in No. 104.]

THE GUANO LOAN.

Inasmuch as the questions pending between the Supreme Government of Peru and the firm of Dreyfus Bros. & Co., of Paris, have this day been arranged, as shown in the respective contract; and as it has become absolutely necessary to put an immediate

stop to the depreciation of guano in Europe, and the ruinous competition for Peru between the sellers of the article, no less than to provide the treasury with funds wherewith to attend to the expenses of the present war, and the Peruvian Guano Company having hitherto opposed difficulties in the way of selling the guano at the price which the treasury can obtain for it:

His honor, the secretary of finance, representing the Supreme Government of Peru, and Mr. Frederick Ford, representing the firm of Dreyfus Bros. & Co., of Paris, have agreed to the following:

1. Dreyfus Bros. & Co. bind themselves to purchase all the guano not sold to the public by the Peruvian Guano Company, Limited, and which the latter company possesses in stock or may add to their stock by exportation.

2. This guano will be paid for by the purchasers without an analysis being made of same previously, and according as they go on receiving it, at a uniform price of eleven pounds fifteen shillings per ton.

3. The Peruvian Guano Company will keep possession of the guano as a guarantee for its value, and will hand it over to Dreyfus Bros. & Co., according as the latter pay for it; the quantity delivered must not be less than one hundred thousand tons per half year. For this quantity they will pay the Peruvian Guano Company the proportion which corresponds to them by virtue of the following article, and the difference between that portion and the price fixed per ton they will carry in account with the Peruvian Government.

4. In order to fix the amount due to the Peruvian Guano Company on every ton of guano, the government accepts provisionally the debt balance against Peru, shown by their accounts presented up to the date of the coming into force of the present contract, and the amount of same, divided by the total number of tons in stock and afloat, will be the proportion corresponding to the company for every ton of guano delivered by it, Peru reserving to herself the right to question, when necessary, the correctness of the accounts of the company, any errors in which will be deducted from the last tons of guano to be delivered.

5. The actual stock of guano in Europe, and that afloat, being composed of guano of different qualities, and it being, therefore, necessary that the purchasers should first proceed to mix same, in order to obtain a uniform quality, Dreyfus Bros. & Co. will choose the one hundred thousand tons, the minimum half-yearly quantity, from the guano of different qualities in stock and afloat.

6. The Peruvian Guano Company will deliver the guano, free of all expenses, as they at present do with their customers, to Dreyfus Bros. & Co. or to their order.

7. Dreyfus Bros. & Co. will advance the treasury the sum of———(1)on account of the proportional amount corresponding to the Supreme Government of Peru on every ton of guano, after the proportion due the Peruvian Guano Company be deducted.

8. The government will draw bills at ninety days sight for this amount. This advance will gain a half-yearly interest of two and a half per cent., calculated on the balance remaining at the end of every six months, and it will be paid off with the proportion corresponding to the Peruvian Government on every ton of guano sold.

9. The Supreme Government of Peru binds itself not to export nor permit that others export any guano whatsoever to Europe and its colonies until the present stock be exhausted, with the exception of a reserve stock sufficient for six months' sale. The purchasers will take upon themselves the responsibility of advising when any market finds itself in such a condition. The government pledges the word of the nation not to export, nor to permit others to export any guano whatsoever to the before-mentioned markets, so long as the contract remains in force. Any cargo of guano introduced into them in spite of this stipulation will be forfeited, the introducers likewise suffering the penalties established by the penal laws of the respective countries. For this purpose the government invests the purchaser with the requisite powers in order that they may institute the necessary proceedings before the respective courts. The guano forfeited will be sold by the purchasing firm, and a commission of fifteen per cent. upon the net product of same paid into the Peruvian treasury.

10. The Supreme Government of Peru pledges itself not to receive from the Peruvian Guano Company, or from any other party, any sum whatsoever upon the guano to which this contract refers, for which purpose it will inform the Peruvian Guano Company and its agents of same having been made, Dreyfus Bros. & Co. being authorized to notify them also for their own part.

11. The Supreme Government of Peru binds itself to guarantee the interests of the holders of bonds of the external debt, so that the advance stipulated in the present contract may not signify any responsibility whatsoever for the purchasers, Dreyfus Bros. & Co.

12. The alienation and transfer of the guano, purchased and paid for by the latter, is unconditional and absolute, and they can in consequence dispose of same as they think best.

13. The purchase and advance accounts presented by Dreyfus Bros. & Co. will be examined and decided upon within the half year succeeding their presentation, at the expiration of which they will be considered as approved.

14. The profits which Dreyfus Bros. & Co. may derive from this contract are not liable to taxation in Peru.

15. This contract will only come into force should the Peruvian Guano Company not wish to enter into it for its own account. The Supreme Government of Peru, in event of said company not desiring to take it itself, pledging itself to remove all opposition which the said company might offer and bring the contract into force.

16. * * * * * *

Signed in duplicate in Lima this seventh day of the month of January, eighteen hundred and eighty.

MANUEL A. BARINAGA.
FRED. FORD,
Representing Dreyfus Bros. & Co.

LIMA, *January* 7, 1880.

The present proposed contract having been examined and found suitable to the fiscal interests, *it is hereby approved* in all its parts, and, consequently, let it be transcribed to the financial agent of Peru in Europe.

Register in the book of private documents in the council of secretaries, &c.

Rubric of H. E.

BARINAGA.

[Inclosure 3 in No. 104.]

ARRANGEMENT OF THE QUESTIONS PENDING BETWEEN THE GOVERNMENT AND THE FIRM OF DREYFUS BROS. & CO.

Inasmuch as it is indispensable that the questions which have arisen between the Supreme Government of Peru and the firm of Dreyfus Brothers & Co., of Paris, be at once settled, and that the guano market in Europe and the colonies be unburdened, so that Peru may be able to effect the sale of that article, without the injurious competition which would exist if Dreyfus Bros. & Co. were to continue likewise, and at the same time disposing of the guano they hold in stock and that which they export, his honor the secretary of finance, as representing the Supreme Government of Peru and Mr. Frederick Ford, representing the firm of Dreyfus Brothers & Co., of Paris, have agreed to the following:

1. The contract of the 14th of April, 1874, is to be declared canceled, and null and void of all effect in the future. Its value in the past is proved by deeds, which will be duly appreciated by the stipulations it contains.

2. Without prejudice to what is stipulated in clause 10, the government takes as basis for this arrangement the balance shown by the accounts presented by Dreyfus Brothers & Co., on the 30th of June, 1879, amounting to 21,083,095 soles, 85 cents, or say, £4,008,000 7*s.* 7*d.* at the exchange of 45*d.* and five-eighths of a penny per sol, agreed upon in the contract of August, 1869; and since it is impossible to pay same at the present moment, according to the tenor of article 26 of the same contract, Dreyfus Brothers & Co. will export the sufficient number of tons of guano of 1,000 kilograms each, to cover said balance, and they will credit same in account at the price paid by the new guano contractor, and in the absence of a contract, at the rate of five pounds sterling per ton. This guano will, from that moment pass to be for account, cost, and risk of Dreyfus Bros. & Co., together with all the rights annexed to its unconditional and effectual alienation, and without other restrictions than that stipulated in clause 9 of this contract.

3. The guano will be delivered in bulk in the ships' launches, by cargoes, with forty per cent. increase on the registered tonnage; but if the Supreme Government should succeed in stipulating with the new contractor for the article to be exported in sacks and weighed, its exportation by Dreyfus Bros. & Co. will be effected in a like manner.

4. Dreyfus Bros. & Co. will select in the guano deposits the guano which it may suit them to export.

5. Vessels will take out their loading-licenses in the deposits themselves, and from there they will be dispatched direct to their port of destination.

6. Dreyfus Bros. & Co. will pay for account of the Supreme Government the expenses of loading the guano they export, deducting same from the amount to be placed to the credit of the government for each cargo.

7. The Supreme Government will be directly responsible to the captains of vessels for the non-shipment of the cargo, and the delays occasioned by the authorities or the agents of the government in the deposits themselves or in any other part. Dreyfus Bros. & Co. are authorized to insert this clause in the charter parties.

8. Clauses 2, 3, 4, 5, 6, and 7 of this contract, will remain canceled, should the Supreme Government pay Dreyfus Brothers & Co. in cash; but in such an event the charters given by them will be respected by the government.

9. In order to destroy all competition in the guano markets, the guano that Dreyfus Bros. & Co. hold in stock, and that which they export in payment of the sum of money owing them by the Government of Peru, will be sold by them only in the markets of France (excluding its colonies) and Belgium, from the date upon which the new guano contract which the Supreme Government proposes to make, or that which it may celebrate on the basis of the actual stock in the hands of the Peruvian Guano Company, comes into force. In order to bring this stipulation into effect, the necessary exchange of guano will be made, when required, between Dreyfus Bros. & Co., and the new contractor.

10. As the settlement of Dreyfus Bros. & Co.'s accounts, and the decision of the questions arisen between them and former administrations in Peru, corresponds to the tribunals of the republic in virtue of the nature of those institutions and the special compact of August, 1869, already referred to (article 33) the decrees and resolutions issued by former administrations, whatever be their character, will only be regarded as the point of departure in the matter of such questions. The said tribunals alone will decide these questions, within the term of six months, solely in view of the contracts which have been in force, the laws of the republic, and according to the principles of justice and equity where said contracts and laws do not apply. Both the Supreme Government and the firm of Dreyfus Brothers & Co. will accept said decisions.

11. Any sum of money which the courts may adjudge Dreyfus Bros. & Co. to pay into the treasury will be deducted from the provisional balance set down in clause 2.

12. Dreyfus Bros. & Co. are at liberty to make over to other persons the rights conceded to them by the present contract.

MANUEL A. BARINAGA.
FRED. FORD,
Representing Dreyfus Bros. & Co., of Paris.

LIMA, *January* 7, 1880.

LIMA, *January* 7, 1880.

The present contract, entered into between the secretary of finance and Mr. Frederick Ford, representing the firm of Dreyfus Brothers & Co., of Paris, after due examination *is hereby ratified* in all its parts; and in consequence let it be duly drawn up as a public instrument.

Rubric of H. E.

BARINAGA.

[Inclosure 4 in No. 104.]

STATE OBLIGATIONS.

Considering:

First. That the public finances require regulating, and the obligations of the State need to be promptly discharged.

Secondly. That there is a large debt in existence, proceeding from the two previous administrations, the source, nature, and amount of which are equally unknown.

Thirdly. That so long as the debt in question be not made perfectly clear and liquidated, it is impossible to pay it or strike a proper fiscal balance.

It is resolved:

First. The public revenue will be solely applied for the payment of services lent and obligations contracted subsequent to the 24th of December last.

Secondly. Claims of prior date to the above, duly examined and proved to be genuine, will be disposed of when these operations are terminated.

Thirdly. In order to expedite these operations, and not to increase the ordinary labors of the respective functionaries, a commission is hereby appointed, composed of the following three employés, viz: Don José Manuel Osores, Don Pedro Carrion, and Don Genaro Balarezo, which commission will immediately proceed to convoke creditors of every description, divide them into their various classes, and liquidate the sum of their various accounts, reporting the result of their labors as soon as possible.

Fourthly. Said commissioners will receive, apart from their respective pensions, a gratification of one hundred and fifty soles per month, chargeable to the special expense account.

Let it be registered, &c.

Rubric of H. E.

BARINAGA.

[Inclosure 5 in No. 104.]

RELEASE OF THE LUXOR.

NICOLAS DE PIÉROLA, *Supreme Head of the Republic.*

Considering:

First. That the German colony, resident in Peru, merits special consideration on account of the probity and industry of its members, who have manifested cordial sympathy for the republic during the present war, and a lively enthusiasm for our cause.

Secondly. That the development of the new navigation companies on our coast is in the interest of Peru, and it is, therefore, useful to encourage them and promote their welfare.

In virtue of the faculties with which I am invested—

I decree:

That the steamer Luxor be handed over to the navigation company between Callao and Hamburg, styled Kosmos; and the said steamer is in consequence free to leave Callao, in whose waters she is at present anchored.

The secretary of state of finance and commerce is intrusted with the execution of this decree and with its publication and circulation.

Given in the government house, in Lima, this 10th day of January, 1880.

NICOLAS DE PIÉROLA.

MANUEL A. BARINAGA.

[Inclosure 6 in No. 104.]

INCOME TAX.

NICOLAS DE PIÉROLA, *Supreme Head of the Republic.*

Considering:

First. That it is obligatory that every inhabitant of a country should contribute in proportion to his resources to the public expenses.

Secondly. That it is necessary to regulate the actual public taxes, making them weigh equally upon all and facilitating their collection.

Thirdly. That the augmented expenses during the war make it likewise necessary and strictly requisite that taxation should be increased.

I decree:

First. The patent, property, industrial, and ecclesiastical taxes, and all others which, under different names, are chargeable on the produce of capital and labor, are amalgamated into one single tax, to be styled tax upon income.

Secondly. This tax will be chargeable at the rate of three per cent. upon all incomes, and must be paid by every inhabitant whose income is not under six hundred soles per annum, or who has not resided in the country less than one year.

Thirdly. Public employés are exempted from the payment of this tax, if they do not possess other means than their salary; but should they be in receipt of other means they must pay the tax on the latter, even although same may not reach the minimum fixed in the preceding article.

Fourthly. All males over 21 years of age whose income does not amount to six hundred soles per annum, will pay, those on the coast, 3 soles per annum, and those in the interior two soles, excepting those over 70 years of age and those who are incapable of work.

Fifthly. This tax will be collected every half year, in advance, by collectors appointed by the prefects, and who will be under the immediate vigilance of the subprefects and governors.

Sixthly. The collectors of the tax will receive four per cent. of the amount they collect, and they must give guarantees for the amount which they are to collect in the half year.

Seventhly. All other direct taxes in the republic are suppressed.

Eighthly. During the present war the amount of the tax, as fixed in the preceding articles, is doubled.

The secretary of state for finance is intrusted with the fulfillment of the present decree and with its publication and circulation.

Given in the government house, in Lima, this 8th day of the month of January, 1880.

NICOLAS DE PIÉROLA.

MANUEL A. BARINAGA.

No. 221.

Mr. Christiancy to Mr. Evarts.

No. 105.] LEGATION OF THE UNITED STATES,
Lima, Peru, January 14, 1880. (Received February 7.)

SIR: I have the honor to inclose to you a copy of a letter from S. C. Montjoy, our consul at Lambayeque, of the 3d instant, with a copy of my reply, No. 36, and a copy of my letter of this date to Mr. Osborn, our minister in Chili, No. 37.

I am, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 105.]

Mr. Montjoy to Mr. Christiancy.

UNITED STATES CONSULATE,
Lambayeque, January 3, 1880.

Hon. I. P. CHRISTIANCY,
United States Envoy Extraordinary and Minister Plenipotentiary, Lima:

SIR: I have the honor to inform you that Mr. Rutter, consular agent at Payta, reports to me the destruction, at the port of Talara, of the pontoon, with its contents, belonging to the American Oil Company, exclusively American property, and I am informed also by the governor of the Lobos Islands that a large quantity of American property was destroyed by the Chilian fleet, although the owner represented to the Chilian commander the fact, and that he was a neutral, and the property not available for purposes of war. The governor also reports that a launch belonging to an American steam tug-boat was captured and taken away by the Chilian vessels, although made fast to the steamer and flying an American ensign. The flag was thrown into the sea and the launch taken away, all of which I have the honor to communicate, and am, sir, very respectfully, your obedient servant,

S. C. MONTJOY,
United States Consul.

[Inclosure 2 in No. 105.]

Mr. Christiancy to Mr. Montjoy.

No. 36.] LEGATION OF THE UNITED STATES,
Lima, Peru, January 14, 1880.

S. C. MONTJOY, Esq.,
United States Consul, Lambayeque:

SIR: Your letter of the 3d instant received. I had already been informed, by the owners, of the destruction, by the Chilian fleet, of the pontoon of the American Oil Company (known here as Meloy & Co.), and advised that a protest should be made through our consul at Callao (as Meloy & Co. reside here), and also that it would be well to protest through you or the consular agent at Payta.

As to the destruction of American property at the Lobos Islands, and especially the destruction of the American tug-boat, I recommend also that a protest be made by the captain or owner, through you. Not being accredited to, nor in correspondence with, the Chilian Government, I cannot myself assume to enter an official protest. But I advise you to give full information of the whole matter to Mr. Osborn, our minister at Santiago, that he may call the attention of the Chilian Government to the facts. And I will also send him a copy of your letter.

I am, very truly, your friend,

I. P. CHRISTIANCY.

[Inclosure 3 in No. 105.]

Mr. Christiancy to Mr. Osborn.

No. 37.] LEGATION OF THE UNITED STATES,
Lima, Peru, January 14, 1880.

SIR: I have the honor to inclose to you a copy of a letter from S. C. Montjoy, our consul at Lambayeque, in reference to depredations committed by the Chilian fleet upon the property of American citizens at Talara and at Lobos de Afuera, that you may bring the matter to the attention of the Chilian Government.

I have the honor to subscribe myself, as ever, your friend,

I. P. CHRISTIANCY.

Hon. THOS. A. OSBORN,
Envoy Extraordinary and Minister Plenipotentiary of the United States for Chili.

No. 222.

Mr. Calderon to Mr. Evarts.

[Translation.]

DEPARTMENT OF FOREIGN RELATIONS AND WORSHIP,
Lima, January 14, 1880. (Received February 9.)

One of the first acts of the new Government of Peru, which I have the honor to represent in the department of foreign relations, was the abolition of the decree, which, under the old *régime*, interdicted commerce with Chili.

This act furnishes evidence of the lofty spirit, and of the sentiments of justice and propriety which influence its decisions, as well as of its firm purpose to diminish, to the utmost extent possible, the inconveniences and evils which a state of war necessarily involves.

The other belligerent does not appear to be actuated by the same motives, for, not content with the flagrant infractions of international law committed by it in making war against Peru, which have met with universal reprobation, it now claims that a mere notification of blockade shall be considered equivalent to the establishment of a blockade in those ports and inlets in which it doubtless thinks that it can thereby do us greater injury.

Being quite unable to close the entrances to the principal points on our extensive coast by a *bona fide* occupation with sufficient force, it now openly attempts to establish a paper blockade in the Pacific, which no nation has ever been able to maintain as legal, and which no first class European power would now even dare to mention.

The right of neutrals to disregard such a blockade is evident, and to tolerate it or to pay the slightest attention to it would be encouraging a claim which is radically unsustainable, but which would now cause a great public scandal if it were thought to be in anywise supported by those nations whose interests it seriously prejudices.

As we owe to our friends an undisguised expression of the truth in matters of such importance, I do not doubt that your excellency and your government will regard this communication as an evidence of the cordial feelings with which Peru maintains her relations with the United States of North America.

It affords me the greatest pleasure, &c.,

PEDRO JOSÉ CALDERON.

No. 223.

Mr. Calderon to Mr. Evarts.

[Translation.]

DEPARTMENT OF FOREIGN RELATIONS AND WORSHIP,
Lima, January 14, 1880. (Received February 9.)

Your excellency is aware that the boundary question, which had been twice settled, resulted in war between Bolivia and Chili, which latter nation finally declared hostilities against Peru, because she had formally expressed her determination to remain true to the treaty of alliance which she had concluded with the former of the two republics above named, although, at the same time, and in virtue of that treaty, she endeavored to restore friendly relations between the two sisters, and to preserve the equilibrium and peace of the continent.

Chili, proclaiming a revindication in which she constituted herself a party and a judge at the same time, had already seized, by surprise and by violence, the region of Autafagasta, which had been awarded to Bolivia by two successive treaties. She next occupied the entire Bolivian coast, and commenced acts of aggression against Peru, without being restrained by any consideration of humanity or by the defenseless condition of the towns on the coast, the law of nations, or respect for the interests of neutrals.

Peru, being totally unprepared for a war which she had never expected, was forced to sustain an unequal and disastrous naval struggle, in which her heroism will ever be a guarantee of the inevitable issue of her glorious though unfortunate arms.

They were no less so in the contest on land, although a single battle, the only one in which it can with propriety be said that real fighting took place, although against very great odds, was sufficient to give certain assurance of the final settlement, which will not be very long delayed, of the terrible conflict into which this noble republic has been provoked, notwithstanding its generous efforts and its honorable and upright purposes.

Finally the department of Tarapaca, at the southern extremity of the territory of Peru, has been occupied by the military forces of Chili, and Peru will make a reply to that occupation in the only way that is imperiously prescribed by her pride and by her honor.

In the mean time, however, Chili being able to derive nothing from this transitory fact outside of the sphere of the hostilities permitted by the law of nations, doubly violates that law, by violating the sovereignty of the republic, and by appropriating to herself what rightfully belongs to Peru. She violates Peruvian sovereignty by imposing taxes upon the saltpeter produced in that department, the excellent quality of which is well known throughout the world; and she unlawfully appropriates Peruvian property, inasmuch as she takes what belongs to the treasury of Peru, exporting and selling it in foreign markets.

Against such violations of her national majesty and such plundering of her treasury, Peru is armed by the moral force of right, which force she will use as she thinks proper, and by such material force as she may be able to command, in order to wrest her property from the hands of her enemy, or of those who assist that enemy in the work of spoliation. And we are not now speaking of a contingent future, for it is an actual fact that the saltpetre of Tarapaca, like that of the coast

of Bolivia, is exported in neutral vessels, without whose aid Chili would be unable to consummate her unlawful design.

The flag of a friendly nation cannot cover property taken by violence from Peru, over which Peru will exercise her right of ownership without any limit save that of the force of which she may be able to dispose for this purpose.

The good faith of Peru, and her regard for her friends, lead her to make this frank declaration, which I hasten to communicate to your excellency in the name of the new government chosen by the republic, and I take pleasure in offering your excellency the assurance, &c.

PEDRO JOSÉ CALDERON.

No. 224.

Mr. Christiancy to Mr. Evarts.

No. 106.] LEGATION OF THE UNITED STATES,
Lima, Peru, January 21, 1880. (Received February 17.)

SIR: I have the honor to inclose translations of nine several decrees of the dictatorial government of Peru.

* * * * * * *

I also call special attention to the circulars issued by the secretary of foreign relations (Nos. 6 and 7) to the representatives of friendly and neutral nations in reference to the war, and the question of the right of neutral vessels to ship, under the authority of Chili, nitrates from the nitrate beds in those parts of Bolivia and Peru now in possession of the Chilian forces. This is a peculiar question, and one upon which I would like to receive and follow the views of the Department.

* * * * * * *

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure 6 in No. 106.—Translation.]

The following two circulars referring to the war have been addressed to the representatives of friendly nations:

CIRCULAR.] LIMA, *January* 14, 1880.

Your excellency is aware that a question of limits, though twice decided, finally brought on war between Bolivia and Chili, which latter country finished by declaring war against Peru, also, on account of her having formally expressed her intention of remaining faithful to the treaty of alliance adjusted with the former of the two countries, although at the same time, and in virtue of that very treaty, she was straining every effort to re-establish fraternal relations between the belligerents and preserve the equilibrium and peace of the continent.

Chili, pretending to enforce an act of revindication in which she was herself both judge and plaintiff, had already, in a treacherous and violent manner, seized hold of the Antofagasta region, which had been adjudged to belong to Bolivia by two successive treaties, and subsequently occupied the entire Bolivian coast and opened hostilities on Peru without allowing herself to be detained in her course by any consideration of humanity for defenseless towns, or out of respect for the rights conceded by the laws of nations, or even out of consideration for the interests of neutral nations.

Peru, reposing in fatal confidence and totally unprepared for a war which she never expected to be engaged in, was forced to sustain an unequal and disastrous naval campaign, in which the heroism she displayed is a sufficient recompense for the final glorious, but disastrous, result.

Peru has likewise been similarly unfortunate on land, although one single day, the only one on which strictly speaking it can be said that a battle was properly fought, in spite of the superiority of the forces and elements opposed to her, was sufficient to enable the final result, which will not be long delayed, of the terrible duel to which this noble republic has been provoked, in spite of her generous desires and frank and honorable intentions, to be prophesied with the most complete certainty.

Finally, the department of Tarapaca, which forms the southern boundary of the Peruvian territory, has been occupied by the Chilian army, and Peru will reply to this act in the only way which her honor and pride dictate.

Chili, however, in the mean time, whose actions with respect to the territory temporarily occupied by her, should be limited to the exercise of the hostilities permitted by the law of nations, doubly violates it, attacking both the sovereignty and property of the republic. She arrogates the former to herself, imposing taxes on the nitrate industry of the department in question, the importance of which is notorious throughout the world, and she assails the latter, appropriating to her own uses the portion of the nitrate riches belonging to the Peruvian fisc, exporting and selling same in foreign markets.

To these attacks on the dignity and property of the nation, Peru opposes the moral force of justice, and will employ it, as may be thought most convenient, aided by the material force at her disposition, to rescue her property from the hands of her enemy or from those whoever may assist her in her work of plunder. And this is not a matter of a possible contingency in the future; for it is an actual fact that the saltpetre of Tarapaca, as well as that of the Bolivian coast, is being exported in neutral vessels, without the aid of which Chili would be powerless to carry out her criminal intent.

The flag of friendly nations cannot protect property of which Peru has been violently defrauded and over which she will exercise her due rights as far as her strength enables her.

The good faith and considerations which Peru shows for her friends induce her to make the foregoing frank declaration, which I have the honor of communicating to your excellency on behalf of the new government which the republic now possesses.

Begging your excellency to accept, &c.,

PEDRO JOSÉ CALDERON.

[Inclosure 7 in No. 106.—Translation.]

CIRCULAR.] LIMA, *January* 14, 1880.

One of the first acts of the new government of Peru, which I have the honor to represent in the department of foreign affairs, was to annul the decree issued by the former government establishing a commercial interdiction with Chili.

This act proves the elevated spirit and the sentiments of justice and propriety which preside over its every resolution, and testify to its firm intention of lessening, as far as possible of reducing to the narrowest limits, the inconveniences and evils attendant upon a state of war.

The enemy however does not appear to be animated with a like spirit, since not content with the flagrant violations of international law it has been guilty of whilst engaged in hostilities with Peru, and which have merited universal reprobation, Chili now pretends that the mere notification of the blockade of such ports, the closing of which she doubtless thinks will cause us the greatest damage, is sufficient for the efficaciousness of the blockade.

Being powerless to close the entrance to the principal ports on our extensive coast by occupying said entrance with a sufficient force for that purpose, she is manifestly striving to introduce into the Pacific a system of paper blockades, which can never possibly be maintained as legitimate, and which none of the principal European powers would even think of at the present day.

The right of neutrals to consider such a blockade as null and void of effect is manifestly plain, and to tolerate it or show the slightest respect for it, would be to encourage a pretension radically unsustainable, and which would become a scandal to the times we live in, were it to be supported in the slightest degree by those whom it most prejudices.

As it is right that the true state of the case should be laid before our friends in a matter of such weighty importance, I feel certain that your excellency and your government will look upon this communication as another proof of the cordial sentiments with which Peru maintains her relations with ——— ———.

I take this opportunity of assuring your excellency, &c.,

PEDRO JOSÉ CALDERON.

No. 225.

Mr. Christiancy to Mr. Evarts.

No. 108.] LEGATION OF THE UNITED STATES,
Lima, Peru, January 21, 1880. (Received February 17.)

SIR: Referring to my dispatch No. 102, I have the honor to state that absolutely no news of the progress of the war has since been received (or at least made public) here since that dispatch, except that the Chilian force landed at Ylo, as there mentioned, a few days after that time returned to the coast and re-embarked. It was only a reconnaissance in force.

We hear nothing definite of the revolution of Bolivia, except that Daza is a fugitive, and the revolutionary government of Bolivia is more enthusiastic in support of the war than that of Daza.

As to the destruction of the guano works at Lobos de Afuera, the Chilians did not establish a blockade there, and neutral vessels are again landing there, as I am informed.

I am, &c.,

I. P. CHRISTIANCY.

No. 226.

Mr. Evarts to Mr. Christiancy.

[Telegram.]

WASHINGTON, *January* 24, 1880.

CHRISTIANCY, *Minister, Lima.*

Time and manner of recognition left to your discretion.

EVARTS.

No. 227.

Mr. Evarts to Mr. Christiancy.

No. 55.] DEPARTMENT OF STATE,
Washington, January 26, 1880.

SIR: Your dispatch No. 99, of the 31st ultimo, has been received. It gives an account of a meeting of the diplomatic body at Lima, for the purpose of considering the expediency of recognizing the government of Piérola, the new governor of Peru.

Your course on the occasion was dignified and judicious, and, with your note to Mr. Calderon, the minister for foreign affairs, of the 30th of December, is fully approved. Although that note correctly states the principles which guide this government in the recognition of revolutionary rulers in other countries, I am not aware of any circumstances attending the recent change of government in Peru, which call for special reserve in recognizing Piérola. Inasmuch, however, as you are on the spot, and therefore are best capable of judging of the probabilit

of the duration of Piérola's power and of his accountability to foreign governments, the question of his official recognition is left to your discretion. The telegram of the 24th instant, transcribed below, was forwarded to you accordingly.

I am, sir, &c.,

WM. M. EVARTS.

No. 228.

Mr. Christiancy to Mr. Evarts.

No. 111.] LEGATION OF THE UNITED STATES,
Lima, Peru, January 28, 1880. (Received February 25.)

SIR: I have the honor to inclose to you a copy of my letter of the 25th instant to C. A. Nugent, esq., our consular agent at Arica; also a copy and translation of the letter of Admiral Montero, in command of the Peruvian forces at Arica, on the subject of the blockade of the port of Mollendo by Chili, dated the 9th instant.

The whole substance of the reply of the consuls to the note of the admiral appears in my letter, of which copy is inclosed.

I call special attention to the advice I have, in this letter, given to our consular agent on the question of blockade, that I may be corrected if in error at the earliest practicable moment.

I am, &c.,

I. P. CHRISTIANCY

[Inclosure 1 in No. 111.]

Mr. Christiancy to Mr. Nugent.

LEGATION OF THE UNITED STATES,
Lima, Peru, January 26, 1880.

SIR: Your letter (No. 2) of the 14th instant received, inclosing a copy of the letter of Admiral Montero, commander of the Peruvian forces at Arica, dated January 9, on the subject of the blockade, and the reply of the consular corps thereto, informing the admiral that the contents of his letter would be referred to the ministers of their respective countries.

At this distance, with the uncertainty and irregularity of the mails, I can give you no specific advice applicable to the precise state of facts which may exist at any moment, as that state of facts may be changing from day to day. In fact I am informed here, through the British minister, that since the letter of Admiral Montero, another vessel has been added to the Chilian blockade squadron in front of Arica, and another to that blockading Mollendo. I can only lay down for your guidance some general principles recognized and insisted upon by the Government of the United States, as applicable to blockades, and leave you to apply them to cases of American vessels entering or seeking to enter the port claimed by Chilian authorities to be blockaded. No nation has taken stronger ground or more persistently maintained it against mere paper blockades. The American doctrine is that, to entitle a blockade to the recognition of neutrals, or in any manner to affect the rights of neutral vessels to enter or depart from the port claimed to be blockaded, the blockade must be maintained by the presence of such a force as to render the entrance or departure of the neutral vessel manifestly dangerous. The principal adopted by the treaty of Paris (of April 16, 1856), to which both Chili and Peru have become parties (upon this point), does not differ very materially from the American doctrine, though it may seem to go even further, as it requires "that blockades, to be binding, must be effectual; that is to say, maintained by a force sufficient in reality to prevent access to the coast of the enemy." But whether this really goes further than the American rule we need not discuss as

you and I are to be governed in our official action by the latter, and under this, the mere fact that a neutral vessel might slip in or out unobserved, at night, or during a fog, could not of itself be held to invalidate the blockade. And if the blockading squadron be driven off the port by a storm, this will not invalidate it, if they return to their post as soon as the weather will permit. But if they are driven from the port by the enemy or voluntarily leave it, for even a few days (possibly for a single day), this terminates the blockade, and it cannot be re-established without giving, *de novo*, a fair notice to neutrals.

A practical question of some importance may arise upon the course which I understand has been quite usual with the Chilian blockading squadron, of withdrawing so far from the port at night, and sometimes by day, that first, vessels might innocently enter without the knowledge that a blockade had existed there, and second, vessels which had been informed that the blockade had existed some time before, might, on approaching the port to see whether it still existed, and seeing no blockading vessels and receiving no warning from them, might enter in good faith, believing that the blockade had been abandoned.

In neither of these cases could such vessel be properly seized as a prize for a breach of the blockade; but should receive reasonable notice to depart, or not to land or receive cargo. And if this habit of leaving the port thus unguarded should continue for any great length of time, I doubt whether all neutral nations would not be justified in treating it as inefficient for any purpose, and absolutely null. Such intermittent blockade must, in time, it seems to me, become intolerable to neutrals.

Should the blockading squadron attempt to seize or interfere with any American vessel, in violation of any of the principles above laid down, my advice is that you make a proper protest, and allow officers and owners of such vessels, through you, to protest against such action.

I am, &c.,

I. P. CHRISTIANCY.

[Inclosure 2 in No. 111.—Translation.]

The Peruvian admiral to the consular body at Arica.

ARICA, *January* 9, 1880.

SIR: I think it opportune to place under the knowledge of the honorable consular corps residing in this department that some merchant vessels of neutrals have entered and departed freely the port of Mollendo, notwithstanding the men-of-war of the Republic of Chili, which announced the blockade, were cruising off the port mentioned. Such has been the case with the steamer Bolivia of the English company on the 17th of the same month; nevertheless, two Chilian vessels, perhaps, were at sight, which is publicly known. And as these cases are frequently and inevitably repeated, and especially on the south coast of the republic, where the naval forces of Chili are simulating that hostility which the law of nations recognizes as blockade and for the efficiency of which invariable rules have been established, I think it my duty to call the attention of the foreign consular body here to the subject, they having under their care the custody of the interests of the citizens of their respective nations, in order to guard the rights which they so worthily represent, and in obedience to the principles universally acknowleged. Be pleased to consider seriously the tenor of this note, and appreciate properly the question of the legality of the proceedings to the Chilian squadron; as it is seen that they cannot substantially sustain the effectual blockade in conformity to the sound and incontrovertible doctrine of international law. Such blockade, although claimed to have existed, is *de facto* relinquished for want of effectual and immediate force to maintain it, and in virtue of the facts to which I have referred.

With distinction and consideration of esteem, it is grateful to me to subscribe myself, &c.,

L. MONTERO.

To the DEAN of the honorable consular corps residing in Tacna.

No. 229.

Mr. Christiancy to Mr. Evarts.

No. 112.] LEGATION OF THE UNITED STATES,
Lima, Peru, January 28, 1880. (Received February 25.)

SIR: I have the honor to inclose to you a copy of my letter of th 24th instant to Mr. Merriam, our consul at Iquique.

I call attention to this letter, especially as regards granting clearances to American vessels shipping nitrates from Iquique on account and under authority of Chili. The circular of the secretary of foreign relations of Peru on this subject will be found in my dispatch No. 106, inclosures 6, 106, and 7, 106.

It does not seem to me that the right of our consul at Iquique, holding his exequatur from Peru, necessarily depends upon the merits of the question of belligerent right to ship nitrates as between Peru and Chili, nor that the question is necessarily the same as would arise upon a clearance granted by an American consul in a Chilian port to a vessel loaded with such nitrates. But if I am in error in the advice I have given, I wish to be promptly corrected.

The question is to me a somewhat novel one, and I have to depend upon the general principles which seem to me applicable to the circumstances. Fortunately, however, there is very little American shipping on this coast.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure in No. 112.]

Mr. Christiancy to Mr. Merriam.

LEGATION OF THE UNITED STATES,
Lima, Peru, January 24, 1880.

SIR: Your letter No. 49, of the 17th instant, is received. I think your course in exercising your official functions with the full consent and approbation of the Chilian authorities now in possession of Iquique and the surrounding country is strictly right so long as your official acts shall in no measure be made to operate to the injury of or in hostility to the rights of Peru, or to such as she claims and which are still in contest between her and Chili. But any official act which might aid either of the parties to the contest might be complained of by the other as a departure from the duties of strict neutrality.

You are appointed only as a consul to Peru, and hold your exequatur from its government only, and, therefore, as it seems to me, you cannot, even with the assent of the Chilian authorities, do any official act to which the assent of the Peruvian Government might not fairly be presumed. That assent may be presumed to the extent of allowing you to protect American citizens and to exercise your ordinary functions in reference to American seamen, and upon conflicts arising between the officers and seamen of American merchant vessels, and no objection would now be made to granting clearances to American vessels engaged in any other trade than that of shipping saltres (excepting also contraband, of course).

But the question of granting clearances to American vessels which may load with saltres at Iquique stands upon peculiar grounds. These saliters come from Peruvian soil, which, though now in possession of Chili, is yet in dispute and subject to the arbitrament of arms. Peru, in the circulars of her secretary of foreign relations, has taken the ground that the rights of war, as the contest now stands, do not give Chili the right to deprive the territory of this property and to transport and sell it on Chilian account, and Peru claims that no title can thus be acquired.

Under these circumstances, for you to grant clearances to vessels shipping this nitrate in hostility to Peru and for the direct benefit of Chili, may, I am inclined to think, be properly looked upon by Peru as an unfriendly act tending to aid her enemy in the prosecution of the war. I know that such is the view taken by the government here, and as the shipping of this nitrate at Iquique must now be under the exclusive authority of Chili, and you are not accredited to that country, I think the Peruvian Government would withdraw your exequatur should you grant clearances in such cases. It is true that your refusal to grant such clearances may not stop the injury to Peru, because the Chilian authorities may authorize their own captain of the port or other officer to give clearances, which would avail for what they were worth as the acts of a government or authority *de facto*.

I shall lay the matter before our government and be guided by its instructions, but in the mean time, until different instructions are received from our government, I think the safest course for you is to act upon the advice above given.

I am, &c.,

I. P. CHRISTIANCY.

No. 230.

Mr. Evarts to Mr. Tracy.

DEPARTMENT OF STATE,
Washington, January 31, 1880.

SIR: On the 28th instant I had the honor to hold a personal interview with you, when you placed in my hands an office copy and translation of a letter from the new President of the Republic of Peru, Don Nicholás de Piérola, to the President of the United States, notifying his accession to the supreme magistracy of Peru. You then observed that you desired to present the original of that letter, but before forwarding it you expressed a wish to know whether it would be received, adding that you had been instructed by the government of President Piérola to continue in the capacity of chargé d'affaires, but without new letters of credence. I then had the honor of replying that I would lay the matter before the President, and at a subsequent interview inform you of his conclusions upon the subject.

Upon consideration the President has decided to recognize the government established in Peru by His Excellency Don Nicolás de Piérola and to receive the ceremonial letter of the latter, it being understood by this government that the people of Peru were driven to the acceptance of a new government on a provisional basis, by the external pressure of their affairs, and that the accession of General Piérola to power was not accomplished by civil strife or factious insurrection.

I had the honor to communicate this decision to you, orally, in an interview held yesterday, having previously received from your hands the original letter of President Piérola for transmission to the President of the United States. It now affords me pleasure to communicate this decision to you in a more formal manner, and to express my personal gratification at the continuance of the friendly relations which have marked your intercourse with this department since you assumed the responsible charge confided to you.

Observing that the President will doubtless reply at an early day to the letter of President Piérola, and that his answer will be transmitted through the usual channel of the United States diplomatic representative at Lima, I tender you, sir, the renewed assurance of my highest consideration.

WM. M. EVARTS.

No. 231.

Mr. Evarts to Mr. Christiancy.

No. 57.] DEPARTMENT OF STATE,
Washington, February 4, 1880.

SIR: I inclose herein a copy of my note to the chargé d'affaires of Peru in the United States, of the 31st ultimo,* communicating to him the information that the President had decided to recognize the government in Peru of His Excellency Don Nicolás de Piérola, &c. It is presumed that you have already availed yourself of the discretion as

* For inclosure see document No. 230, *ante*.

to the recognition of that government given you by No. 55; if not, you will at once enter upon full relations with the established power.

Observing that no new credentials will be necessary, I am, &c.,

WM. M. EVARTS.

No. 232.

Mr. Christiancy to Mr. Evarts.

No. 115.] LEGATION OF THE UNITED STATES,
Lima, Peru, February 10, 1880. (Received March 9.)

SIR: I have the honor to acknowledge the receipt, on the 5th instant, of your telegram of January 24 (by mail from Valparaiso), in reference to the recognition of the present Government of Peru.

And I have the honor to state that in view of the facts that this government had met with the universal concurrence and acquiescence of the people of Peru, and that there was no pretense or claim in Peru to any other government than that of Piérola as dictator, I could find no principle of international law which would authorize me longer to withhold a full recognition. I sent to the secretary of state for foreign affairs my letter of the 5th February, No. 25, of which I inclose a copy.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure in No. 115.]

Mr. Christiancy to Señor Calderon.

No. 25.] LEGATION OF THE UNITED STATES,
Lima, Peru, February 5, 1880.

MONSIEUR LE MINISTRE: I have the honor to inform your excellency that I have this day received a telegram from the Secretary of State of the United States of America, dated the 24th ultimo, in answer to a dispatch of mine detailing the change of government which resulted in making His Excellency Don Nicolás de Piérola Supreme Head of the Government. By that telegram the time and manner of recognition are left to my discretion, and being entirely satisfied that this change has met the cordial concurrence of the people of Peru, and that within the principles defined in my note to your excellency of the 30th December last, No. 22, this government is now entitled to recognition by friendly nations, I take this early opportunity to communicate to you and through you to the government its formal recognition by the United States of America.

Please accept, &c.,

I. P. CHRISTIANCY.

Eximo Señor Don PEDRO JOSÉ CALDERON,
Secretario de Relaciones Exteriores del Peru.

No. 233.

Mr. Christiancy to Mr. Evarts.

No. 117.] LEGATION OF THE UNITED STATES,
Lima, Peru, February 11, 1880. (Received March 9.)

SIR: I have the honor to inclose to you a copy of my letter of February 7 (No. 42) to J. W. Merriam, explaining to him the meaning of my letters 34 and 39.

I should have sent this before the 1st February, but he had written me that he expected to be here by the 1st instant. He called on the 7th, and I made the explanation verbally, but to avoid any mistake I concluded to write this, that he might have it in writing, and put it on file.

I am, &c.,

I. P. CHRISTIANCY.

[Inclosure in No. 117.]

Mr. Christiancy to Mr. Merriam.

No. 42.] LEGATION OF THE UNITED STATES,
Lima, Peru, February 7, 1880.

J. W. MERRIAM, Esq.,
United States Consul at Iquique:

SIR: You will remember that I, this afternoon, called your attention to the fact that on looking over my letters to you, Nos. 34 and 39, I discovered that I had in those letters used the term "clearance" in an enlarged and untechnical sense, as including all the official acts of the consul necessary to the departure of an American vessel from the port at which you were stationed, such as putting your name upon the clearance given by the authorities of the port, and your certificate to the invoices, when I ought more properly to have avoided the term "clearance" which has a technical meaning and strictly speaking is not granted by the consul.

The whole context and my whole cause of reasoning shows that this was my meaning, and I am glad to learn that you have been led into no error by my careless use of the word "clearance." As I told you I had intended to write you at the next mail making this explanation.

I write this that you may put it on file as a written explanation of my two letters referred to.

I am, very truly, your friend,

I. P. CHRISTIANCY.

No. 234.

Mr. Evarts to Mr. Christiancy.

No. 58.] DEPARTMENT OF STATE,
Washington, February 18, 1880.

SIR: I have to acknowledge the receipt of your No. 105, with the copies of correspondence inclosed therein, relative to the destruction of property of the American Oil Company at Talara, and of other American property at the Lobos Islands, by the fleet of Chili.

Your action in the premises in transmitting the information to the minister of the United States at Santiago, and the advice given in your letter to Consul Montjoy, at Lambayeque, are approved. The Department will at once communicate with Mr. Osborn, on the subject of your dispatch.

I am, &c.,

WM. M. EVARTS.

No. 235.

Mr. Evarts to Mr. Christiancy.

No. 63.] DEPARTMENT OF STATE,
Washington, March 1, 1880.

SIR: Your dispatch, No. 106, of the 21st January last, has been received. It is accompanied by translations of certain recent decrees of

the Peruvian Government and copies of circulars addressed by the minister of foreign affairs of Peru to the representatives of friendly nations. All these inclosures, with the exception of those which you number 6 and 7, relate to internal affairs of that country, and do not appear to call for any special instructions. One of the papers referred to, however, assumes that Chili has seized those nitrates on the Peruvian coast which Peru claims as her own, and is exporting their products in neutral vessels, and that, therefore, Peruvian cruisers will not respect a neutral flag detected in that business.

Although in the present subdued condition of the Peruvian navy there may not be much risk of capture of neutral vessels by the Peruvian men of war, it is proper that you should remind that government of the eighteenth article of its treaty of 1870 with the United States, which expressly stipulates that free ships shall give freedom to goods, and that everything shall be deemed free which shall be found on board the vessels belonging to citizens of either of the contracting parties, although the whole lading or a part thereof should belong to the enemies of either, articles contraband of war always excepted. It seems clear, therefore, that if a Peruvian cruiser should capture an American vessel whose cargo, in whole or in part, should consist of the nitrate referred to, the treaty would be violated in a case for which it was specially intended to provide. For such an act that government would certainly be held accountable. It is hoped, therefore, that that government, as a proof of its friendly disposition toward that of the United States, and of its desire to observe in good faith its formal treaty stipulations, will either so modify the circular referred to or will give such orders as may prevent an act of which we should have such just cause to complain.

I have received copies of the two circulars through the chargé d'affaires of Peru in Washington, and have prepared replies thereto, which I inclose. You will please retain copies of the same on your files, and deliver the originals.

I am, sir, &c.,

WM. M. EVARTS.

No. 236.

Mr. Evarts to Señor Calderon.

DEPARTMENT OF STATE,
Washington, March 1, 1880.

SIR: I have received, through Mr. José Carlos Tracy, the chargé d'affaires accredited to this government, your excellency's note of January 14 last, complaining that nitrate from that part of Peru which is occupied by the military forces of Chili is shipped thence in neutral vessels, and claiming the right to detain or capture such vessels on the high seas.

In reply, I have the honor to acquaint your excellency that I have received a copy of the same paper from Mr. Christiancy, the minister of the United States at Lima, and I have instructed him upon the subject. He will, doubtless, in due time, make known to your excellency the views therein expressed, which, therefore, I will not now repeat.

I avail, &c.,

WM. M. EVARTS.

No. 237.

Mr. Evarts to Señor Calderon.

DEPARTMENT OF STATE,
Washington, March 1, 1880.

SIR: I have received, through Mr. Tracy, the note of your excellency of the 14th of January last, which represents that the prohibition against intercourse with Chili, which had been decreed by the late administration of Peru, had been repealed. Your excellency also represents that the blockade declared by Chili of certain ports and inlets of the territories of her adversaries, is inefficient.

In reply, I have the honor to state that hitherto this Department has not received from any other quarter similar information or any complaint upon that subject. If, however, the fact should be as your excellency represents, it will probably enable those interested in a resumption of the intercourse between Peru and Chili to avail themselves of the opening made for them by the repeal of the prohibitory decree to which your excellency adverts.

The views of this government on the subject of blockade are, it is presumed, well known to the Government of Chili. If, therefore, the cruisers of that government shall capture or detain a vessel of the United States for having, in the absence of a force competent to prevent it, entered a port or inlet of her enemies, which had been declared in a state of blockade, reparation for that act will be required.

I avail, &c.,

WM. M. EVARTS.

No. 238.

Mr. Evarts to Mr. Christiancy.

No. 64.] DEPARTMENT OF STATE,
Washington, March 1, 1880.

SIR: I have received your No. 111, in which you transmit a copy of your letter of January 26 last, to Mr. Nugent, consular agent of the United States at Arica, in reference to the blockade of Mollendo, and a copy and translation of a letter of Admiral Montero to the dean of the consular corps, residing in his department, and in reply desire to approve the tenor of your communication to Mr. Nugent. You will, of course, pay no attention to any manifesto in regard to the subject of your dispatch, unless addressed directly to yourself as the diplomatic representative of the United States.

I am, sir, &c.,

WM. M. EVARTS.

No. 239.

Mr. Evarts to Mr. Christiancy.

No. 65.] DEPARTMENT OF STATE,
Washington, March 2, 1880.

SIR: Your dispatch No. 112, of the 28th January last, has been received. It relates to the authority of the consul of the United States at Iquique to grant clearances to American vessels. Your letter to him upon the subject is in general approved. No consul, pursuant to our law or regulations, has the right to grant a clearance to any American vessel, even if his post is at a port conquered and possessed by the enemy of the country from whose government he may have received his *exequatur*. It is the exclusive province of the belligerent authority for the time being—civil, military, or naval—to grant such clearances, and the consul, as is required in time of peace, should not deliver the vessel's papers until the clearance shall have been presented to him by the master. The consul's course is not to be governed or influenced by the components of the cargo of the vessel. If these, according to the existing authority, may lawfully be exported, the consul cannot properly gainsay that opinion. It is natural that Peru should be incensed at the exportation of nitrate for the benefit and account of her adversary. It is to be regretted, however, that she should allow her resentment to lead her to claim a belligerent right not acknowledged by any authority, that of capturing on the high seas vessels of a neutral for having on board a cargo from a place which she owned before the war. In this case, however, her title to it was annulled, or at least suspended, by the armed occupation by Chili of the region whence the article was taken. The attempt of Peru, therefore, to avenge upon neutrals her want of good fortune in the contest will not, it is to be feared, add to her reputation for magnanimity or regard to public law, and certainly will not be acquiesced in by the governments of neutrals, whose interests may thereby be affected.

I am, &c.,

WM. M. EVARTS.

No. 240.

Mr. Christiancy to Mr. Evarts.

No. 123.] LEGATION OF THE UNITED STATES,
Lima, Peru, March 3, 1880. (Received March 27.)

SIR: In the absence of any important news, and for the purpose of enabling you to judge something of the nature of the dictatorial government here, I inclose you the following translations of decrees:

1st. Of a decree of the 23d February, annulling the contract purporting to have been made by Rosas and Goyeneche (commissioners sent to Europe by the Prado government), and sequestering the property of said commissioners.

2d. A decree in reference to the letting or leasing of church property, and that of charitable institutions.

3d. A decree requiring the publishers of newspapers, when such papers have published articles attacking or reflecting upon individuals,

to allow to such individuals double the space in the same paper for a reply, without charge, &c.

4th. In relation to the prosecution and imprisonment of Don José Maria Quimper, minister of finance, under the late government, for improperly issuing and certifying a decree not signed by the late President.

I call especial attention to the above decree (3–123), which seems to be founded upon a strong appreciation of fairness and justice, and calculated to put some restraint upon the license of the press in attacking individuals or private character. It is quite possible that a similar principle might be generally adopted with advantage in other countries besides Peru.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 123.]

Official decrees.

THE GOYENECHE-ROSAS CONTRACT.

We supply below a translation of the decree or resolution of the government annulling the guano and nitrate contract concluded in Paris on the 7th ultimo, by Messrs. Rosas and Goyeneche, with the Credit Industriel Company:

LIMA, *February* 23, 1880.

In view of the official communications dated the 16th of January last, addressed by the ex-fiscal commissioners, Don Juan Marciano de Goyeneche y Gamio and Don Francisco Rosas, to the secretary of state for finance.

In view of the two contracts therein referred to, bearing date the 7th of the same month, with the documents accompanying them.

In view of the document containing the decision of commissioners, Goyeneche and Rosas, annulling the guano consignment contract celebrated in 1876, with the cessionaries of the Peruvian Guano Company (Limited).

And considering—

Firstly. That the mere fact of the political change which took place in Peru on the 23d of December last, once known in Europe, as it was since the 29th of the same month, was equivalent to the suspension of the plenary powers with which said commissioners were invested.

Secondly. That for greater precaution the government transmitted express orders to them not to celebrate any contract not *ad referendum*.

Thirdly. That, although the commissioners allege that they were unable to decipher the telegraphic dispatch which contained that order, the latter was not only known by many in Paris and by the commissioners themselves, but, even were this not so, the fact of their having been unable to decipher the telegram should, of itself, have been sufficient to induce them to refrain from entering into any contract, at least one of definite character.

Fourthly. That the contract celebrated by them is in direct opposition to the law of authorization of the 13th of October, 1879, inserted in the respective plenary powers, and that, besides, said contract pledges the nitrate of Tarapaca in virtue of a mere government authorization which the executive power of that period had no authority to issue nor bind the state by.

Fifthly. That on entirely their own responsibility they have declared the existing contract with the Peruvian Guano Company, Limited, rescinded, which only the Peruvian tribunals are authorzied to do, certainly not the executive power, and still less its commissioners.

Sixthly. That it is highly necessary to strip the contracts in question of the appearance of validity with which their authors have striven to invest them, going so far even as to make an international notification of an unusual and unauthorized nature, the right being reserved to examine them carefully in order to estimate their convenience or inconvenience with regard to the state.

Seventhly. That the parties who have made this contract with Goyeneche and Rosas cannot profess an ignorance which might redeem the contract for their own part, inasmuch as the stipulations of said contract are in opposition to the express tenor of the plenary powers of the Peruvian commissioners, without exhibiting which the contract could not have been drawn up.

Eighthly. That the latter have consequently been guilty of abusing the high confidence placed in them and of disobeying the orders of the government in a matter of the greatest and most transcendental importance, the enormity of which is aggravated in consideration of the present state of affairs in the Republic.

Ninthly. That it is necessary to take precautions that the fiscal interests may not be prejudiced or in any way affected by such abuse and disobedience.

It is resolved—

First. That the commissioners in question be submitted for trial before the respective courts.

Secondly. That from this date and without further notification, the property rights and actions of said commissioners be declared subject to fiscal responsibility and embargoed.

Thirdly. That the Banco Garantizador de Valores be appointed depositary for said property in Lima, and the Banco de Arequipa, in the city of the same name, which depositaries will pay the same interest on the sums they receive as they do on sight deposits.

Fourthly. That those who make the contracts with the parties whose property has been thus laid under embargo, or who deliver moneys to them in place of contracting or handing such moneys to the depositaries, will be directly responsible for the value of such contracts or delivery of such moneys, and will also suffer the penalty which they incur for infringing this decree.

Fifthly. That the two contracts in question be declared null and void of all effect and be looked upon as mere proposals.

Sixthly. That said contracts, with all the documents referred to in them, be published and submitted to the council of state in order that the latter may give its consultative opinion on the same, so that the necessary resolution be issued.

Let it be published, &c.

Rubric of his excellency.

BARINAGO.

[Inclosure 2 in No. 193.]

CHURCH PROPERTY.

NICOLÁS DE PIÉROLA, Supreme Head of the Republic:

Considering—

First. That it is necessary to put a stop to the undue speculation of which the property belonging to the church and to the public-benefit institutions has been the object, by means of contracts prejudicial to their revenues, and which divert them from the purposes to which they are destined, to the undue advantage of the administrators and contractors.

Secondly. That the government proposes to adopt measures later on with regard to the property in question, which, while they will help the treasury, may better serve its object.

I decree:

It is absolutely prohibited to make any emphyteutic contract in connection with ecclesiastical property or that of any institution whatsoever of worship or public benefit, and all other deeds of lease of such property will remain null unless approved by the government.

The secretary of state for foreign affairs and worship is charged with the punctual observance of this decree, and with its publication and circulation.

Given in the palace in Lima, this 19th day of February, 1880.

N. DE PIÉROLA.

PEDRO JOSÉ CALDERON.

Responsible for translation.

J. LAWTON.

[Inclosure 3 in No. 123.—Translation.]

THE GOVERNMENT AND THE PRESS.

The following decree has been issued:

NICOLÁS DE PIÉROLA, Supreme Head of the Republic:

Considering—

First. That the practice of occupying the press with purely personal matters neither serves any purpose nor is an efficacious guarantee for the rights attacked outside of the papers, but is rather calculated to damage the reputation and good name of the person so occupying it.

Secondly. That consequently every person attacked through the medium of the press should be supplied with the means of defending himself in proportion to the severity of the attack made upon him.

Thirdly. That this is the more just, considering that not every person who is attacked through the medium of the press is able to pay for defending himself, and even were this not so, it is not right to abuse the liberty of the press and provoke a person to spend money in defending himself.

Fourthly. That the owner of the printing establishment, by reason of which such attack is made, also lends his co-operation to the practicing of the kind of abuses which this decree is intended to remedy.

I decree:

ARTICLE 1. Every victim of defamation, invective, or ridicule, and in general every citizen whose reputation is in any way damaged through the medium of the press has the right, in order to vindicate himself, to occupy gratis in the paper in which he is attacked double the space which the article occupied that attacked his reputation.

ARTICLE 2. Should the attack not have been made through the medium of a paper, but in a book, pamphlet, or fly-sheet, &c., the obligation of publishing gratis the vindication will fall upon the owner of the printing establishment where the attack was printed; whenever the party attacked may wish to make use of his right, double the amount of matter in the book, pamphlet, or fly-sheet being printed, or the owner of such printing establishment shall pay the cost of the offended person's defense in any paper and place which the latter may select should he prefer to use such means of defense.

ART. 3. If the attack be made in a paper, the editor of such paper will be under the obligation of inserting the vindication in preference to any other matter, with the exception of the official publications under penalty of paying, if he delay in doing so, a fine of from ten to fifty pounds sterling to the offended party, which will be collected by the political authorities, and he shall also publish the article in which the latter defends himself. The same applies to the case pointed out in article 2.

What is ordered in this decree does not impede the offended party taking criminal action before the respective court for the punishment of the delinquent, if he be proved guilty in accordance with the law.

The secretary of state for justice and instruction is intrusted with the publication and circulation of this decree.

Given in the palace of government in Lima, this 21st day of February, 1880.

N. DE PIÉROLA.

FREDERICO PANIZO.

[Inclosure 4 in No. 123.—Translation.]

IMPRISONMENT OF DOCTOR QUIMPER, LATE MINISTER OF FINANCE.

LIMA, *February* 23, 1880.

In view of the documents annexed to the official communication addressed to the secretary of finance by ex-Fiscal Commissioners Don Juan M. de Goyeneche and Don Francisco Rosas, dated the 16th ultimo, amongst which is an official note forwarded to them on the 26th of November last by the ex-minister of finance and commerce, Don José Maria Quimper.

In view of the original of said note, the autograph copy of which exists in the copy-book of that ministry.

In view, finally, of the supposed supreme decree of the same date, authorizing said fiscal commissioners to pledge the nitrate of Tarapaca in the arrangements which they might enter into with the holders of Peruvian bonds and in the contracts which they might celebrate, the original of which document exists in the same office.

And inasmuch as it appears—

First. That the said decree bears no other signature than that of ex-Minister Quimper and consequently the then head of the state had no part in that most important resolution.

Secondly. That notwithstanding this in the official communication forwarded by the ex-minister he falsely affirms that it bore the rubric of his excellency, which constitutes the crime of forgery, for which the penal code provides.

Thirdly. That even had the decree in question been issued and signed by the head of the state the responsibility of the latter would not cover the minister's responsibility who thus disposed of national property without any authorization whatsoever, an offense aggravated by the serious state of affairs prevailing in the republic.

Fourthly. That in view of such deeds it is indispensable not only to hold the author of them criminally responsible but to take the necessary precautions in order that the fiscal interests at stake may not be prejudiced.

It is resolved:

First. That Don José Maria Quimper, ex-minister of finance and commerce, be submitted for trial and apprehended in order that he may be placed at the disposal of the proper court.

Secondly. That the property rights and actions belonging to the said Don José Maria Quimper be declared subject to fiscal responsibility and be embargoed.

Thirdly. That the Banco Garantizador de Valores be appointed depository for said property and its products, which bank will pay the same interest on the sums of money it receives as it does on sight deposits.

Fourthly. That those who make contracts with the person whose property is embargoed, or deliver moneys to him, in place of contracting or delivering such moneys to the depository, will be held directly responsible for the value of any such contracts or delivery of moneys, and will also suffer the penalty which they incur for violating this decree.

Let it be published, &c.

Rubric of his excellency.

BARINAGA.

No. 241.

Mr. Tracy to Mr. Evarts.

LEGATION OF PERU IN THE UNITED STATES,
New York, March 9, 1880. (Received March 11.)

SIR: Not long since the newspapers of this city published a cable report purporting to have been received, via England, from Buenos Ayres, announcing the rupture of the alliance between the Republics of Bolivia and Peru. Emanating, as it evidently did, from unfriendly sources, I did not deem the report entitled to any credit, but I did not feel authorized to deny it simply because I could not believe it.

In the inclosed copy of the bulletin, of 11th February last, of El Peruano, the official organ of the Government of Peru, your excellency will note that General Narciso Campero, having been proclaimed Provisional President of Bolivia, by the most important departments of the republic, entered Oruro on the 19th of January last, and assumed control of the affairs of the nation; that his authority had been recognized by the commission (junta) in charge of the government at La Paz; and that all fears of any civil strife in that country had disappeared, your excellency will likewise observe that at the public meetings held in various places on account of the recent political changes, not only was the alliance between Bolivia and Peru ratified, but many of them declared in favor of a Peru-Bolivian confederation.

I venture to call your excellency's attention to this, in order that if the before mentioned newspaper report should have been seen by you, you may understand there was no other foundation for it than the hope of our enemies that they had finally succeeded in the efforts they have un-

doubtedly been making for many months to induce Bolivia to prove false to Peru, but which efforts have happily not been successful.

The undersigned avails himself of this occasion to renew to his excellency the Secretary of State, the assurance of his high esteem and most distinguished consideration.

JOSÉ CARLOS TRACY.

[Extract from bulletin of El Peruano of February 11, 1880.—Translation.]

BOLIVIA.

General D. Narciso Campero, having been proclaimed Provisional President of Bolivia by the most important departments of the said republic, entered Oruro on the 19th of January, with a portion of the division under his command, and issued a decree assuming the chief command of the nation.

The governmental junta of La Paz has recognized the authority of General Campero, and all fear of civil discord in our sister and allied republic of Bolivia has disappeared.

Colonel Elodora Camacho will continue as comanding general of the Bolivian army stationed at Tacna.

It is said that General Daza has desisted from all claim to the chief magistracy, and that he has determined to remain at Arequipa with his family.

The instruments signed by the towns, in connection with the political events to which we have referred, not only ratify the alliance which unites Bolivia with Peru but a Peruvian-Bolivian confederacy is therein advocated.

The hopes, therefore, that were entertained by the Chilian press that a rupture would soon occur in the alliance of the two nations which are now marching unitedly against that republic in defense of their dearest and most fundamental rights, have been frustrated.

No. 242.

Mr. Evarts to Mr. Christiancy.

No. 69.] WASHINGTON, *March* 10.

SIR: I have to acknowledge the receipt of your No. 115, and to approve the action taken by you as detailed therein, relative to the recognition of the new Government of Peru.

Referring to instruction No. 57, communicating copy of correspondence with Mr. Tracy on this subject,

I am, &c.,

WM. M. EVARTS.

No. 243.

Mr. Christiancy to Mr. Evarts.

No. 133.] LEGATION OF THE UNITED STATES,
Lima, Peru, March 17, 1880. (Received April 10.)

SIR: I have the honor to inclose to you a slip from the South Pacific Times of yesterday, stating all the reliable information we yet have of the operations of two Chilian vessels in the north, though we have rumors of somewhat similar operations at other ports, and the probability of their attacking Payta in a similar manner.

I will further say that last week an armed steam transport, the Talisman, was sent by the Peruvian Government from Callao south, with some two hundred military officers to re-enforce the army of the south at Arica, with several thousand stands of arms, with ammunition, provisions, and clothing. They landed the men and cargo at Quilca, some forty miles by the road from Yslay, whence they will have to move by land to Arica, unless they find the interior, like the coast from Yslay south, in possession of the Chilians, in which case they will probably join the Peruvian forces or some of the Bolivians further in the interior and in rear of the Chilians, say, at Arequipa or Moquegua.

The Talisman returned safely to Callao this morning.

I have, &c.,

I. P. CHRISTIANCY.

No. 244.

Mr. Calderon to Mr. Tracy.

[Translation.]

DEPARTMENT OF FOREIGN AFFAIRS AND WORSHIP,
Lima, March 17, 1880.

Señor Don JOSÉ CARLOS TRACY,
Chargé d'Affaires of Peru in the United States of North America:

Chili advances more and more in the road of illegal hostilities and her own dishonor.

In my circular of January 14, to friendly powers, I have already denounced and condemned the excesses against the sovereignty and property of Peru, committed until then with manifest abuse of the military occupation of Tarapaca, and all with the sole idea of carrying into effect her purpose of despoiling Peru of the rich products of that portion of the republic.

Now, as you will see in the inclosed bulletin, by the two proclamations published in Iquique on the 23d and 25th of February last, Chili has resolved to grasp from the hands of the nitrate manufacturers all that which, according to their respective contracts, should be exported and sold as belonging to the Peruvian exchequer, in order to export and sell it on account of the Chilian exchequer, as if it were her own property; and on the pretext of an imaginary permission solicited by foreign holders of Peruvian bonds, has authorized the shipment of guano from our deposits which she declares occupied by her troops, notwithstanding these are insufficient for a real and permanent occupation of said deposits, or even a part of them, and which are not even designated in the decree.

Although this assumes the perfect right of said bondholders to pay themselves their dues by these means, the license granted them is worth from twenty to thirty shillings per ton, a manifest defraudation and the sole purpose of the concession, and everything leads to the belief that the presentation of this petition was procured by secret dealings and actual collusion to obtain the wealth of Peru and divide it among those who imagine that by this fraudulent arrangement they have found an easy though disgraceful way of obtaining an object which they will find it difficult to reconcile to their own consciences.

Against these acts, incited by a devouring thirst for the property of others, and by her great need of resources wherewith to continue this unjust war, the savage nature of which is daily becoming more and more marked, the Peruvian Government has been forced to make the declarations contained in the decrees of the 15th instant, which are to be found in the aforesaid bulletin.

You will also find therein the loyal and frank declaration of the Secretary of finance, dated the 27th of January, in which he fully testifies all that has been done by the new government with regard to its finances abroad, consulting the well-known interests of its creditors, even in spite of the inevitable demands of the war.

The dignity of Peru, her self-respect, the care of her interests, and the intelligent good faith with which she must carry out her sacred engagements of her credit, have prescribed the line of conduct revealed by the documents to which I have referred.

Provoked into a war which we never could have looked upon, on our part, save as a great continental necessity, and as a duel of honor, we now find ourselves before an enemy who does not wage the battle on this ground, and who, insensible to the noble calls of justice and honor, disregarding the most obvious principles of the law of nations, of humanity and of civilization, converts an international struggle into treacherous assaults on defenseless persons, pillage, war without quarter, and unlimited destruction.

Against this frenzy, which makes Chili forget even what she owes to herself as a Christian republic, Peru offers the manly perseverance necessary for the vindication of her rights, and the reparation of the damages received in consequence of this scandalous abuse of power.

Meanwhile, she cannot but consider as accomplices of her enemy all those who, without any possible excuse, under the protection of a neutral flag, co-operate in the depredation of her wealth, and help to increase the resources with which Chili is outraging and destroying all that which the community of civilized nations holds as respectable and sacred.

She will, therefore, treat as enemies all such co-operators, who having of their own free will violated the neutrality which, for their own protection, they should have respected, lose, *ipso facto*, all right to any protection, by taking part in an act of usurpation and embezzlement which nothing can justify, inasmuch as during the present war Chili has not made any special claim or demand against Peru, either before or since the declaration of war. Chili declared and makes war against Peru simply because she is the ally of Bolivia. This is the sole cause of her hostilities. All that does not tend to weaken the forces of the republic, or to destroy, when absolutely necessary, any materials by which injury might be occasioned to our foe, is iniquitous and contrary to universal morality and the law of nations, and warrants reprisals not exceeding that measure which should be observed by a nation that respects itself and is conscious of its imprescriptible duties.

You will please read this dispatch and the inclosed bulletin to the chief of the foreign office of that government, and furnish him with copies of both, should he so desire.

God keep you many years.

PEDRO JOSÉ CALDERON.

TREASURY DEPARTMENT,
Lima, January 27, 1880.

To the Financial Agent of Peru in Europe:

SIR: In a former letter I spoke to you of an exposition I would make about the motives that have influenced the government in its first steps with reference to the finances, and particularly to the foreign credit of Peru; and by especial request of his excellency, the supreme chief of the republic, I now comply with this duty.

Peru is at present undergoing a very difficult trial, from which she will undoubtedly reap two great benefits, her regeneration at home and proving to the world her elements of power and strength; although her difficulties and complications are now very great, she must nevertheless conquer them to attain this object.

However painful it may be, yet we must inevitably look back on the last ten years in order to understand better the difficulties and complications in which we are now placed.

Exaggerations of prosperity, against which proved useless all the efforts of the present President of the republic, then minister of finance in 1872, brought about the initiation of the new foreign loan of the following year, which occasioned his separation from the government, and was the starting point of the indefensible financial situation through which the republic has ever since had to struggle.

That loan, most imprudent in itself, since it was to absorb in its own service the greater part of the income of the nation, had scarcely commenced at the inauguration of the new government of that year. That government not only did not annul it, as it could and ought to have done, but the most unfortunate manner in which it was carried out in Europe, emitting its obligations at truly ruinous rates, decided the disaster. And this fact, together with the series of economical and political errors of those four years, brought on the suspension of payments abroad, and misery and ruin at home.

The succeeding government did not remedy the evil. Following the same path which had been condemned by the whole country, protesting against it even under arms on several occasions, it only succeeded in widening the breach that had already been opened.

A terrible blow was dealt to the flourishing saltpeter industry, under pretext of forming a new financial resource, thereby ruining the manufactures and the public treasury, depriving the former of their nitrate, and creating for the latter an enormous debt of nearly 20,000,000 of soles.

Our principal income, the guano, became, by virtue of the contracts celebrated since 1874, reduced to an incredibly small amount. Coin disappeared entirely from our market, being replaced by the greatest of economical calamities, the paper money of forced currency. The internal consolidated debt increased immensely; the floating debt appeared; and even the servants of the state were frequently without pay.

Such a sad situation, together with other grave symptoms of administrative and political disorder, encouraged Chili, covetous of her neighbor's riches, to appropriate the Bolivian coast, convinced that the powerlessness to which Peru had been reduced would prevent her interfering in such a culpable enterprise.

The Chilians could not have chosen a better opportunity, knowing that the treasury of Peru was empty, and that she was completely unprepared on land as well as at sea; thus our republic found itself engaged in a war, that in other circumstances Chili would never have dared to provoke.

Notwithstanding this, the natural advantages of Peru, the patriotism and extreme generosity of her people, would have sufficed to balk Chili, had it not been for the conduct of her government, which brought about the loss of her fleet, and the inexplicable disaster of San Francisco, followed by the disappearance of the head of the government.

The Peruvian people who, with their generous efforts, had endeavored to retard this crisis, and upon whom the war had imposed complete forgetfulness of the past and a firm adhesion to even the very originators of their sufferings, at length saw the end of the same. With a unanimity, which has few examples in history, they overturned, on the 22d of December last, the then existing political power.

That event, which to an ordinary observer would merely appear as one of so many disturbances of Spanish America, is, to all who know the country and will meditate for a moment on the circumstances under which it took place, and the causes which produced it, but the eloquent protest of the entire nation against the political period which terminated on 23d of December last. That national protest does not alone comprehend the military events during the actual campaign, but also the entire policy which has brought them about, and the administrative path followed by the overthrown *régime*.

And this is the reason that, notwithstanding the fervent respect of the Peruvian people and their actual chief for the sovereignty of law and liberty, they have with common consent established a provisional dictatorship, accepted by both, only as an imperious and temporary necessity which the present circumstances demand

I must now confine myself to the administrative department, and more especially to the line of conduct observed by the two preceding governments toward our foreign creditors.

Hence arises the evil, and not altogether from the want of material compliance with stipulated liabilities.

A nation, as an individual, may find itself trammeled much to its regret by circumstances such as to deprive it of the means of paying the whole of its debts.

But a nation, with even more reason than an individual, can never deviate from the open path which its duty, its integrity, and clearly its own profit indicate, should be maintained; it should, with sincerity and loyalty, make known its situation and omit no sacrifice or effort that will reveal its earnest desire to satisfy its creditors within the limits of possibility.

And now it is very hard but necessary to confess, the two preceding governments have erred in this respect, thereby drawing upon the nation the most lamentable consequences; whereas, the first acts of the new regime and the purpose of this note is to prove our intention of fulfilling religiously this duty.

On the accession to the command of the government by the present head of the republic, the following was the situation as regards our foreign creditors and our means of fulfilling our engagements with them:

The external debt, owing to its enormous amount, even given the rehabilitation of our revenues, the termination of the war, and the reduction of public expenses could not be attended to according to the compact as to interest and sinking fund. In this case the only honorable course was to declare it. And as it is evident that that debt was in the greater part contracted in order to employ the money in the construction of railroads, it was but honest to deprive ourselves of these and deliver them without hesitation into the hands of our creditors. This took place according to the supreme decree of the 7th of January of the present year, the railroads being given over to the creditors, not for their corresponding value in bonds, but for the amount in hard cash that we had spent on their construction.

It was afterwards needful to seek, by reducing our public expenses and augmenting taxes, the highest "superavit" possible to give to our creditors.

This has been done by the decree already cited, establishing a payment of 4 per cent. annually, by means of £2 sterling on each ton of guano exported, to be deposited in the Bank of England, reserving to our creditors the right of obtaining for themselves that deposit from the exporter contracting with Peru, and to lay an embargo on the article exported.

In order to attain this object we have been forced to reduce by one-half our estimate of expenses, and to obtain more funds by taxing the people.

I do not know that it would have been possible to have done more.

It is true the payment of the external debt does not commence at once, but the reason is evident; through the events of the war our guano deposits are in possession of the enemy, and, therefore, in order to place their produce at the disposal of our creditors it will be necessary to re-obtain possession of them. Before that there is no possibility of our thus utilizing them.

We were in possession of guano, already exported into Europe, which we might at once have put into the hands of our creditors, and this would have been done had not their own interests been against it.

For, as I have already said, in consequence of the war, our guano deposits are in power of the enemy.

Consequently, and, even laying aside the great national interest in the maintenance of our dignity and right, it was necessary to decide between two steps: either to obtain from the guano stored in Europe the requisite funds to complete our armament, in order to recover by force the guano deposits, which will permanently furnish the payment of the external debt, or to yield to our creditors the comparatively small amount of the value of the stored guano; but thereby placing ourselves in the impossibility of speedily recovering the property which we destine to the payment of our debt.

Between these two extremes it was not difficult to decide. On the 7th of January last we signed a contract by which we deduct from the value of the guano stored in Europe merely the necessary amount to make up our armament, leaving the rest for an extraordinary amortization of the debt (Art. II of the supreme decree of the 7th of January, 1880).

The official acts to which I refer have been so planned that not even the exceptional situation of the war can damage the existing agreements with our creditors, but rather improve them.

By the terms of the compact, which took place in London, on the 7th of June, 1876, the fulfillment of which has, with reason, been demanded by the holders of our bonds, Peru was to appropriate from the value of the exported guano sold in Europe, the sum of £700,000 annually, leaving to the demands of the debt only the remainder of the yearly profits, which, however, in consequence of the mode of conducting the sale,

have, up till now, been delusive. For this reason Peru will only take, and that for once alone, a portion of the value of the stock, renouncing the annual payments agreed upon, which would amount to a far higher sum.

With the object of obtaining from the guano sold in Europe sure funds for the war, and certain profit for the bondholders, it was needful to overturn the system employed till now in the exportation of guano; removing the causes which have rendered its value so profitless in the last few years.

Of these causes there were two: 1st. The ruinous competition between the house in possession of the guano formerly bought, "Dreyfus Brothers & Co.," and the present consignee, "Peruvian Guano Company Limited;" 2d, the insecure and variable profits according to the consignment and quality of the guano, instead of the sale of the entire stock at a fixed and uniform price.

Allowing the existence of the two mentioned houses in possession simultaneously of the market, and both of them with stock for sale, it is not difficult to see that the only means of doing away with the competition which reduced the products of the guano so low as to render it of no value to us, or to our creditors, was to divide the market between the two. The second cause of the evil could only be remedied by finding a purchaser of all the stock at a fixed and uniform price.

Now, no sensible person will deny that to obtain this result on a practical basis and with the speed which the situation demands, would give rise to disputes between the said houses. There was no other road then open, but to make an arrangement granting them all they claimed, in order to obtain:

1st. The much desired separation of the markets and consequent suppression of the competition.

2d. The attainment of the largest fixed and certain price possible for the European stock; allowing full liberty to discuss quietly and through the respective tribunals the rights claimed by the two houses. This has been obtained in the arrangement made with Dreyfus Bros. & Co., on the 7th of January, and in the additional contract of the same date which was first proposed to the "Peruvian Guano Company Limited."

By any other means the Government would only have given rise to misunderstandings which would have been prejudicial to itself and to its creditors, with no better result than that of rendering the situation worse than it was before.

As the Government cannot now dispose of any guano but that which is stored in Europe, it would be delusive and prejudicial to make any contract relative to the exportation of any. Delusive, because having to employ its means to recover the use of its deposits and to re-establish the export, and it certainly not being possible to consent that this should be effected, under the protection of a foreign power, overlooking the national rights of the country, there was nothing on which to base a contract. Prejudicial also, because every contract would cause needless disadvantages to the Peruvian treasury on account of the delay in the delivery of the article and the uncertainties of the struggles to recover it.

We had then to limit ourselves to the guano in possession of our agents, reserving till after the campaign that which is now in the hands of our enemy.

Everything that we could do has therefore been done with regard to the guano (considering our situation), in favor of the interests of our creditors, which are identical with those of the national treasury. The delusive income of its sales in Europe have been enormously increased and converted into a certain and fixed sum. The service of the debt agreed upon in the London contract of 1870, at 3 per cent. per annum, we have carried to 4 per cent., and with guarantees and securities of unfailing compliance. We have given in part payment properties of real value, such as all our railroads. And, finally, even in spite of the war, we have renounced the annual income latterly agreed upon with our creditors, leaving them the value of even the guano stored in Europe, receiving, once for all, only a portion of it; and that with the object of helping us to recover the deposits of guano which are now in the hands of the enemy.

The nitrate was, doubtless, another article in the hands of the government; and although it has not been considered in the arrangement for the payment of our foreign debt, we should not have hesitated for one moment in throwing it in, to serve our creditors better.

There were, however, two insurmountable obstacles to this: First, that the government had taken possession of the saltpeter mines from the proprietors, giving them in exchange documents which have never been canceled, nor can they ever be paid for with the other revenues of the country; in reality these mines do not belong to us, and it would have been equivalent to disposing of property which belongs only to the nitrate manufacturers.

The second impediment is obvious. The department of Tarapacá being occupied by the Chilians, any transaction relative to saltpeter would be purely chimerical, before turning them out. Even if we had a right to dispose of the nitrate, which is not ours, the opportunity has not yet arrived to place it at the disposal of our creditors. Among these there have been some who consider that Peru should yield to them the export of guano, and even of nitrate, in order that they may pay themselves, allowing so much

per ton to Peru. The convenience of this step has been encouraged by the idea that as neutrals the bondholders would be allowed to export these articles, in spite of the actual possession of the enemy, and shielded by their respective flags. This would amount to the establishment of a sort of foreign protectorate over our territory, when we ourselves are fully able and determined to drive the enemy out, without need of foreign aid. No foreign government would lend their aid to such foolish pretensions; nor would Peru and its present government ever consent to such a thing

Laying that aside, and supposing that we had again obtained possession of our territory, no sensible government could possibly accept a proposition to allow the creditors to come and pay themselves.

Without a complete abdication of national rights and functions, it is not possible to transfer the administration of national resources, before first proving that the government is incapable of acting for itself. It would be like the affairs of a bankrupt being arranged by his creditors, and Peru, fortunately, does not yet find herself in that position.

Besides which, such a proceeding would not be a security even to the bondholders. So numerous as they are, belonging to all social conditions, and not even able to agree or act in unison, what would be the practical signification of giving up to them the management of the guano and nitrate? Would their interests be better guaranteed by the person or persons who would be appointed to represent them, than by a people of a government, who, although they may suffer disturbances, will always exist, and are not liable to the mistakes and errors of private individuals?

Supposing that Peru were to consent to transfer the management of the nitrate and guano to an imaginary body entitled "bondholders," the consequence would be that a speculator chosen by them (if this were possible) would undertake the extraction and sale of guano and nitrate, and the distribution of its profits in a manner which would not offer nearly such security as if this election were made by the government of the country; their responsibility would cease, but not their right of intervention, since a portion of the profits of this export have been given up to them.

It is not the interest of the large number of bondholders that produces the excitement of a few, and their attempts to take upon themselves the management of the guano and nitrate at all hazards. It is a gross speculation, fomented by the intrigues of Chili to their own advantage, but to the great detriment of Peru and her creditors; this fact they cannot ignore. All this is so anomalous and rotten that it is not worth the trouble of investigation; and if I touch upon it at all, it is merely because, last year this pretension made its appearance in a proposition presented by a very small number of Peruvian bondholders, and in one or two foreign newspapers.

The confusion in this affair has reached to such an extent, that there are even some who conceive the possibility of an understanding between the Peruvian bondholders and the enemy with whom we are at war.

We will do the greater portion of our bondholders the honor of believing that it has been far from their intention to share with the enemy the riches of Peru; for it is certain that that would be the only interest that would lead the latter to this international scandal. The respective governments of these could not help looking upon this as an offense against justice and the common interests of States. Finally, for us as for any other nation in a similar case, there is but one conclusion: The immediate canceling of all debts to such as should commence by disavowing the fact which existed between us in order to consummate one with our enemy to our detriment.

If such a thing should happen, however, it will only prove a gross injustice, of which the perpetrators would reap but little benefit, because Peru has the firm determination, and has the means wherewith to drive the Chilians out of the territory, which it is only occupying temporarily.

Not even during this occupation would such an attempt be profitable, because as the government has already declared in an international dispatch, the very ships used to export the nitrate and the guano abstracted from Peru would be only taking undue advantage of their flags, if neutral, which, for this very reason, would not protect them from being seized by us or in our name.

In conclusion, the official acts to which this dispatch refers, as will be very easily seen by the slightest examination, have consulted as much as possible our foreign credit, and with it, the interests of our foreign creditors. Any other steps will only be prejudicial to them as well as to the republic.

The new government which Peru has chosen, interpreting the national will, even in the midst of the preoccupations of the war, has, nevertheless, devoted its first attention to the service of our creditors. Seconded by them, as Peru has a right to expect, our government will have put an end to the damages they have had to suffer, much to the regret of the whole nation, which will thus be vindicated by practical and undeniable facts from the charges against her, owing to the blunders of her former rulers.

I trust that you will make such use of this communication as to make known its contents to our bondholders, as it is the particular desire of his excellency the chief of state, as well as mine, that they should be thoroughly convinced that Peru and her

government are proceeding with loyalty, and feel the greatest interest in their rights, which will no doubt be proved by the terms of this exposition, and the painful frankness with which I have stated the declarations it contains relative to the former political period.

May God preserve you.

MANUEL A. BARINAGA.

DEPARTMENT OF FINANCE.

NICOLÁS DE PIÉROLA, *Supreme Head of the Republic.*

In view of the proclamation published in Iquique, on the 25th of February, by the general-in-chief of the forces of the Chilian army occupying Tarapacá; and,

Considering,

1st. That the *de facto* dominion exercised by the Chilian forces, and that only temporarily, over the Peruvian guano deposits, has not and cannot annul the seigniory and exclusive proprietorship by Peru of said deposits.

2d. That the right has not been accorded to the bondholders by their bonds of paying themselves by working themselves the guano; and that, even if such were the case, it would be indispensable that an agreement be previously made as to the mode of carrying out the same.

3d. That neither the whole nor much less any portion of the bondholders, in whose favor the guano contained in said deposits is hypothecated, could ever have it in their power to make such agreement with any other authority than with the Peruvian Republic, with which they contracted as the sole and absolute owner of that substance, and much less could they cede a part of the value thereof, thus constituting themselves auxiliaries of the enemies of Peru.

4th. That Peru finds herself by duty compelled to oppose the attempted defraudation, not only in the name of her own rights, but in that of the great number of her creditors, whose interests it is her duty to study.

5th. That, therefore, on the supposition that some portion of the said bondholders, as is insinuated by the proclamation referred to, have solicited from Chili a permission, which she has no right to grant, and which appears to all intents and purposes to be a collusion for the purpose of defrauding Peruvian interests, such bondholders have, by their own deliberate will, broken the compact on which their credit was based, at the same time inflicting serious injury to the national sovereignty, which they have ignored and set at naught.

I decree,

1st. That the proclamation dated and published in Iquique, on the 25th February, by the general-in-chief of the Chilian forces occupying the department of Tarapacá, be declared a felonious assault against the sovereignty of Peru and depredatory of the guano in her deposits.

2d. The bondholders, who may in reality have solicited the permission to which said proclamation refers, to extract guano in payment of their credits, have thus lost, *ipso facto*, their rights to establish their claims against Peru any time or in any form whatsoever.

3d. The Peruvian Government will pursue, without further limit than that of the force of which she may be able to dispose for the purpose, the vessels in which the exportation of the guano may be effected, and will confiscate them whatever flag may cover them.

4th. The diplomatic and consular agents of Peru abroad will demand from the competent authorities the embargo of any cargo of guano exported in virtue of the proclamation referred to.

The secretaries of marine and hacienda are intrusted with the execution, publication, and circulation of this decree.

Given at the government house in Lima on the 15th day of March, 1880.

N. DE PIÉROLA.
MANUEL A. BARINAGA.

NICOLÁS DE PIÉROLA, *Supreme Chief of the Nation.*

In view of the proclamation published in Iquique on the 23d of February last, by the general-in-chief of the reserved army of Chili, on the export and sale of Peruvian nitrate, manufactured in the department of Tarapaca, the rest of the orders given on the subject by the Chilian agents in that territory; and

Considering:

1st. That the military occupation of said department by the Chilian forces, is a tran-

sitory fact, which can by no means authorize the appropriation of the riches of that territory, whether they belong to private people or to the exchequer of Peru, against whom Chili neither has, nor ever has had, before or after the war, any demand whatever, the fulfillment of which she might have to enforce by this means.

2d. Consequently that the decrees contained in the said proclamation respecting the Peruvian nitrate, amount to an embezzlement, without any motive or protest whatever in its justification, but a scandalous abuse of power.

3d. That for this reason the manufacturers and exporters of nitrate are bound to resist the consummation of this felony by every means possible with the object of complying faithfully with their engagements, which cannot be modified or altered by a foreign authority, which has usurped the national sovereignty, on pain of the strictest responsibility.

4th. That if a neutral flag protect the enemy's merchandise, this principle cannot be applicable to extracted or embezzled merchandise, and therefore the neutral ships that offer themselves to carry the guano or nitrate of Peru on Chili's account, commit an abuse against their flag and cannot shelter themselves under the terms of the Paris Congress.

I decree:

1st. That the said proclamation of the general-in-chief of the Chilian reserve army, dated and published in Iquique on the 23d of February of the present year, and the rest of the orders relative to the same affair be declared a felonious assault against the sovereignty of Peru, and depredatory of her property.

2d. The Government of Peru will persecute, without further limit than that of the force of which she may be able to dispose for the purpose, all vessels in which the exportation of the nitrate may be effected, and will confiscate them, whatever the flag that covers them.

3d. The nitrate company being authorized by their contract to persecute all exportation and fraudulent sale of the nitrate, will do so especially in the case, employing every possible means to that effect.

4th. The manufacturers and exporters of the nitrate of Tarapacá, who are not able to prove that they have only yielded to superior force in defense of the interests of the Peruvian exchequer, will be responsible for the losses caused thereby.

The secretaries of marine and finance are intrusted with the execution, publication, and circulation of this decree.

Given at the government house, in Lima, on the 15th day of the month of March, 1880.

N. DE PIÉROLA.
MANUAL A. BARINAGA.

No. 245.

Mr. Evarts to Mr. Tracy.

DEPARTMENT OF STATE,
Washington, March 22, 1880.

SIR: I have the honor to acknowledge the receipt of your note of the 9th instant, relative to reports which you have received, evincing the friendly relations which exist between the Governments of Peru and Bolivia, and also of its inclosure.

Accept, sir, &c.,

WM. M. EVARTS.

Señor Don JOSÉ CARLOS TRACY.

No. 246.

Mr. Christiancy to Mr. Evarts.

No. 137.] LEGATION OF THE UNITED STATES,
Lima, Peru, March 23, 1880. (Received April 13.)

SIR: Referring to my dispatch, No. 133, I have to say in continuation of the progress and incidents of the war, that since that dispatch we

have no further reliable information of the depredations of the Chilian vessels along the northern coasts.

But on the 19th instant, as will appear by a slip from the South Pacific Times of this day, herein inclosed, which is believed to be entirely authentic, the Chilian vessels completely destroyed all the works for loading guano, &c., at the Chincha Islands.

It seems also, from various reports, that last week (the exact day I cannot ascertain) a Chilian force of from 2,000 to 3,000 men marched from Ilo to Mollendo, and that with some marines, who were near or arrived there about that time, they completely burned, sacked, and destroyed the town, railway, and railway station, wantonly destroying the lives of peaceable inhabitants, and in some instances ravishing women. I have seen no official account of this, but the British minister informs me that he has from the British consul, and that the facts are a disgrace to civilized warfare, though he says he thinks the cases of actual ravishing were but two. Some accounts state, and these in charity, I am inclined to believe, that some marines, with some insubordinate soldiers, who had broken open and sacked the custom-house, got intoxicated upon the liquors found there, and in this way were led into these excesses, and that the Chilian authorities intend to try the offenders by a court-martial. I hope, for the sake of humanity, that this may be the true version of the affair.

The orders, however, given by the Chilian Government to their fleet to destroy all the Peruvian ports, can hardly be carried out without great inhumanity and even barbarity, and that towards neutrals, English, Americans, French, Italians, and Germans, in whose hands, collectively, is most of the business and property in all these ports, many thousands of whom, if they are to be attacked without notice or opportunity of removing themselves or their property out of danger, are likely to lose their lives, or if they escape with these to be left penniless as many have already been.

But Peru, under her new régime, is beginning to show some signs of life, and is putting forth more vigorous efforts for national defense. And from what I have thus far observed, I do not hesitate to say, that if the present supreme chief had been in power from the beginning of the war, with the means which the former administration possessed, he would have accomplished much more than they did; and that his rule is about the best and most efficient form of government which it would be practicable to select for such a crisis and in such a country. I say this without intending any reflection upon the former government, and without surrendering any of my life-long antipathies to mere personal government. There are times and countries in which no other form of government can be rendered efficient.

But to proceed with the war. The Union, the only naval vessel left to Peru, except the monitor Manco Capac, at Arica, and the Atahualpa, at Callao, a wooden steam corvette, with 10 guns, entered the port of Arica before daylight on the 17th instant, taking arms, ammunition, &c., to reinforce the army in Arica; she was not seen by any of the enemies' vessels until she had been engaged some three hours in unloading cargo. Then the Cochrane and the Huascar opened the attack, which was continued for nine hours, aimed principally against the Union, which continued to fire from one side, while the unloading went on upon the other, she being also protected by the batteries on shore, and by the monitor Manco Capac. Finally, at 5 o'clock p. m., having discharged her cargo, she left at the south (instead of the north as the Chilians seem to have expected) and came safely away, arriving in

Callao on the 20th, her loss having been one killed and eight wounded, the smoke-stack and some steam-pipes having been injured, and some slight injury to the vessel. I inclose a more detailed account, taken from the South Pacific Times of to-day.

This is looked upon by the naval officers (of the various nations) now here as a very gallant act, and one that would have been pronounced, beforehand, as desperate or impossible.

There have been for several days rumors, brought here by some of the passenger steamers from the south, of a conflict at Moquegua, between the Peruvians and Chilians, in which the latter are reported to have suffered a severe defeat, but I can find no reliable confirmation of the rumor.

I have, &c.,

I. P. CHRISTIANCY.

P. S.—MARCH 24. Since writing the above I have been furnished with the following information in reference to the affair at Mollendo, by Captain Brown, of the Alaska, and which he derives from Captain D'Arcy, of Her Majesty's steamship Shannon, just arrived from Arica, by which it seems that a force (Chilian) of about 2,000 went by transport to Yslay; that the object of the expedition was to march from that point and take Mollendo, in the hopes of being able to obtain railroad material for use at Ilo. The sea was so rough at Islay that only about 300 men could be landed. This small force marched on Mollendo to find it evacuated by the Peruvian troops, and abandoned by its citizens. The transport then entered Mollendo Bay and landed the troops. They had orders to bring away everything that would be useful, and to destroy all government property. The Chilians got drunk and set fire to every building, in spite of the endeavor of the officers to prevent such vandalism. They remained at Mollendo only one day.

I. P. C.

No. 247.

Mr. Christiancy to Mr. Evarts.

No. 138.] LEGATION OF THE UNITED STATES,
Lima, Peru, March 24, 1880. (Received April 13.)

SIR: I have the honor to inclose to you the circular issued on the 17th instant by the secretary of foreign relations of Peru to her diplomatic agents abroad, in relation to the sale of nitrates by Chilian authority in the province of Tarapaca, and to the inhuman manner in which Chili is carrying on the war.

Probably you will receive the same circular from Mr. Tracy, the chargé d'affaires of Peru, if not already received. On the subject of the nitrates, you are probably sufficiently informed already, or soon will be, through the representative of Peru. (See my dispatches Nos. 112 and 117.)

But I will say here that in view of what the Chilian fleet has already done, and what seems to be now threatened, there would seem to be some foundation for the complaint that Chili is violating the humane rules of modern warfare.

I have it from an eye-witness (not official) who was at Eten the other day when that town was fired into, that no notice had been given to the

inhabitants of such intent, that there was no military force in the town, and no provocation given by the inhabitants by firing upon the assailants, or otherwise; and from the nature of the order of the Chilian Government to destroy all the Peruvian ports, the like course is to be expected in other ports of Peru.

In fact, I have the information (through Captain Brown, of the Alaska), obtained from the captain of a neutral naval vessel just arrived from Arica, that one of the highest authorities in Chili had just declared to him (the captain of the neutral naval vessel), that in the course of two weeks they not only intended to blockade Callao (which is all legitimate enough), but to appear before Chorillos (a mere watering place, nine miles from Lima, inhabited mainly by foreigners for health, and not even a commercial town, not having any military defense). That they intended to exact of that town a heavy contribution, and if not promptly paid, to destroy the town.

This mode of carrying on the war by Chili has produced a strong feeling here among all the representatives of foreign (neutral) powers—English, German, Italian, and French. A protest of the diplomatic corps has been suggested, and the representatives of one of those former, from whom I least expected it, who has a strong naval force here (but whose name I am not at liberty to mention), has suggested that the corps ought not only to protest against attacks made without notice upon the peaceable citizens of unarmed towns, but to insist that, before any of the towns upon the coast, even Callao, should be bombarded, a reasonable time should be given for the inhabitants, and especially neutrals, to remove themselves and property from danger, and for all foreign shipping to leave, and all foreign consuls to remove their archives and effects to some place of safety; and that, if these reasonable demands should not be complied with, then to place the vessels of war of the neutral nations between the Chilian fleet and the shore, with orders to return any fire the assailing fleet might make upon the town.

There will, doubtless, be a meeting of the corps in a few days, and, if so, I shall endeavor to act coolly and with circumspection; and while I shall avoid protesting against any of the regular and legitimate means which one belligerent may, according to the more humane practices of modern warfare, properly use to weaken its opponent, I shall nevertheless readily join in protesting against all such means as are supported only by savage or semi-barbarous practices of past ages, but condemned by the more humane codes of modern warfare. Humanity has some rights, even higher than those of belligerents.

I have, &c.,

I. P. CHRISTIANCY.

No. 248.

Mr. Christiancy to Mr. Evarts.

[Confidential.]

No. 139.] LEGATION OF THE UNITED STATES,
Lima, Peru, March 24, 1880. (Received April 13.)

SIR: I have the honor to state to you some things which, in the present state of affairs, ought to be treated as strictly confidential. In

* For inclosure, see document No. 244.

the first place there is a very general and very intense hostile feeling here against the English, and in the second place a very kindly feeling towards the United States.

To some extent the feeling of hostility to England is well founded. England has more influence in Chili than any other power. Many of the business men in that country are English by birth or descent. The most efficient men in her navy, officers, engineers, and gunners are English, and there are many of them in her armies. The recent action of many of the English holders of Peruvian bonds, payable from proceeds of guano, in accepting the proffer of Chili to take guano under Chilian authority from Peruvian guano-beds, has intensified this hostile feeling.

The whole transportation business from Panama south to Valparaiso is in the hands of an English steamboat company, the Pacific Steam Navigation Company, running steamers from Panama to Callao, whence other steamers of the same line go on to Valparaiso, and vice versa, changing steamers at Callao.

Most of the officers of these steamers running from Callao south, especially, are believed, and perhaps with some reason, to be very strong in their feelings in favor of Chili in this contest, and are believed to furnish to Chili much more intelligence of what is going on in Peru than they furnish to Peru of what is going on in Chili. To some extent, I have no doubt this is true, though I do not think it true to the extent which the present existing feelings of the Peruvians lead them to believe. These southern steamers have doubtless often carried contraband for the benefit of the Chilians, and sometimes for the benefit of Peru.

On the other hand the steamers of the same line running north to Panama have often carried contraband for the benefit of Peru, and possibly sometimes, for the benefit of Chili. In short, it was impossible for a line of steamers running along the coasts of both belligerents to do business at all, without occasionally violating the strict rules of neutrality; and, as I once told the English minister, and the agent of this steamship line, the only way in which they could preserve the duties of strict neutrality was to balance its infractions between the belligerents.

I would scorn to stir up or even encourage a feeling against the English or any other people here, or to take advantage of any prejudice wrongfully existing for the benefit of the United States. But it cannot be concealed that there is a strong feeling here against the English though they have now more of the foreign commerce of Peru than any other nation, and it is also evident to me that there is, to *some extent*, good ground for this feeling. The feeling, is so deeply fixed that it will require years to overcome it. And in the meanwhile, while we have done nothing to create this hostile feeling, and have not the power to allay it, the question occurs whether we should not be entirely justified in availing ourselves of the existing fact, and of the kind feeling of Peruvians towards the United States, in extending, as far as possible, our commerce with Peru. We can do little to extend direct trade between the two countries, unless we change somewhat our tariff on wool and on sugar, the two leading products of Peru.

But it would be in the power of enterprising Americans to establish a line of steamers on this coast from Panama to Callao, at least (and even to the southern boundary of Peru), which would effectually put an end to the business of the English line along the Peruvian coast, at least, and this of itself would tend rapidly to introduce American products into Peru.

I had an interview with Don Nicolás de Piérola, the supreme chief of Peru, a few days since, in which he expressed the most ardent de-

sire for the establishment of such a line, assuring me that it would not only take the Peruvian business, but that the Government of Peru, if necessary, would give it direct aid. He promised me, in answer to my suggestion, that his government would furnish me the statistics, bearing upon the feasibility of such an enterprise. It occurred to me (that while I am not at liberty to correspond with individuals in the United States upon the subject) I might properly communicate the subject to you, and that you might have conference or correspondence with that class of enterprising Americans, who might find it for their advantage to inquire into the matter, and perhaps to establish such a line. Perhaps the Pacific Mail Company might think well of it.

The English line pays well, not only the main line to Panama, but the branch line north along the Peruvian coast. I submit these suggestions to your consideration, expecting before long to have the necessary statistics to enable business men to judge of the feasibility of the enterprise.

I have, &c.,

I. P. CHRISTIANCY.

No. 249.

Mr. Christiancy to Mr. Evarts.

No. 140.] LEGATION OF THE UNITED STATES,
Lima, Peru, March 24, 1880. (Received April 13.)

SIR: I have the honor to inclose to you the copy of a letter and protest from Mr. Montjoy, our consul at Lambayeque, which I have just received, in reference to the depredations of the Chilian fleet at Lobos Islands, and at Eten. The injury, as you will readily perceive, is much clearer than the remedy.

I shall, however, forward a copy of his letter and protest to our minister in Santiago.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure in No. 140.]

Mr. Montjoy to Mr. Christiancy.

CONSULATE OF THE UNITED STATES OF AMERICA,
Lambayeque, March 17, 1880.

SIR: I have the honor to transcribe to your excellency the following report from Mr. Stalpe, of Lobos de Afuera Islands, of the proceedings of the Chilian cruisers at those islands, and also the attack made by the same vessels upon the port and town of Eten:

"LOBOS DE AFUERA, *March* 16.

"On the 10th instant there arrived here the Chilian corvette Chacabuco and transport Loa, which, after notifying the governor of their intent, proceeded to burn and destroy moles, platforms, cars, launches, &c., and to embark everything movable found on the islands, including mules, horses, live-stock, and provisions, as well from the company's stores as from the purveyor's store, over which the English consular flag was flying. In fine, they have completely stripped us of everything, and, as I telegraphed you on the 13th instant, I am sending the people away as fast as possible, leaving the contracted Chinamen until the last. In the interest of humanity and at my urgent solicitations, the commander, Don Oscar Viel, left me rice and charqui for eight days,

and spared the steamer Ballestas, which he said was forfeited by her voyages being illegal, on my representation that she was absolutely necessary to transport the people to the mainland, as we could not depart upon the ships, which do not feel inclined to move at present.

"The commander assured me that his orders to take away everything were most positive. The mole is this time completely destroyed, and the loading may be considered as definitely suspended."

"Although the Chilians arrived within ten hours of being sighted, I was able to sink the launches at their buoys, whence I will presently raise them, and the ships saved three by sinking them on their bow chains; the launches which they could not dispose of in that way were seized and destroyed, and the steamer Aurora was burned."

The Chilians, as you will doubtless have heard, had fired seven shots from a Metrailleuse at the locomotive engine which was on the mole at Eten, and eleven shells at the town, which fortunately did no damage, owing to the elevation of the guns necessary to raise them over the bluff (50 feet high) which forms the coast, the shells passing over the town and exploding on the prairie (pampa) beyond. This, however, without notice or any provocation on the part of the inhabitants, who have no means of defense or preservation, except that of flying from their homes.

The commander of the Chilian naval forces notified us that his orders are to await a re-enforcement of ships and to destroy all the ports from Payta to Callao. A third Chilian ship joined the squadron at Eten, after which they proceeded to sea, and we have seen them no more.

The resolution of the Chilian Government, as expressed by the commander of the bombarding forces, Capt. Oscar Viel, to destroy the ports of the coast, will, no doubt, arouse your attention as also that of the other foreign diplomatic officers in Peru, from the fact that at least 90 per cent. of all the immovable property in those ports belongs to foreign residents, such as dwellings, storehouses, &c. What favorable effect the destruction of such property can have upon the result of the war is not very clear to me, and therefore I request your serious consideration of the disastrous effects of such acts upon the Americans engaged in commerce and trade on the coast—effects which destroy the strenuous efforts of our government and citizens for the last few years to promote and encourage trade and commerce with Peru, and to procure in this country an outlet for our manufactures and products. The solution of this difficult situation I leave to your excellency, as eminently qualified by your capacity and position. Still, I consider it to be my duty, as an officer of the United States, to protest, in the name of our government and of her citizens resident in this district, and I therefore, do now most publicly and solemnly protest against all such barbarous and inhuman acts as directed chiefly and solely against American and other foreign citizens and their lives and property, and declaring that such acts do not and cannot contribute in any manner towards debilitating or harassing the people or Government of Peru, with whom Chili is at war, but are evidently and solely acts directed with premeditation against neutral residents of foreign nations who are peaceably prosecuting their legitimate trade and commerce under the protection of the general law of nations.

The fact that a very considerable part of the property of neutral residents in those ports consist in immovable property—store-houses, dwellings, &c., which cannot be removed to a place of safety, makes evident the determination of the Government of Chili (to whom this fact is well known) to wage deliberate war upon friendly nations, their subjects or citizens. It being a notorious fact that the property of Chilians who were established in Peru has been not only not confiscated but respected and protected by the Peruvian authorities, makes the more anomalous and exceptional the case of other foreign residents in this republic; it appearing that they only being neutrals are to suffer the brunt of the rancor of Chili, and calls for immediate remedy. The property in several of these ports being chiefly American, imposes upon me the obligation to protect them in so far as my duty and desires will permit, to insure for them, their families and property, that security for which the recent accounts of the outrageous sacking and burning of the towns of Pisagua and Mollendo, where defenseless women were violated and murdered, and innocent children thrown into the flames to perish, justly cause them to fear. And the fact that almost the total population of those places were foreign residents, who continued to reside there in the fancied security of peaceful neutrality from such barbarous attacks on the part of the Chilian forces. In view, therefore, of these precedents and others which show the determination of Chili to carry indiscriminate disaster and calamity among the peaceful neutral residents, and which has called forth the unanimous and indignant protest of the diplomatic corps in Santiago, Chili, I again make solemn and public protest against the Government of Chili, in the name of the Government of the United States, and her citizens, and of those citizens of other nations not here represented who have requested me in this matter, and to declare that the United States Government will hold the said Government of Chili responsible, and will demand payment for her citizens for all losses and damages in their persons and property that they have suffered, or may hereafter suffer by act of wanton hostility towards them not authorized by le-

gitimate warfare, reserving the right to amplify and extend this declaration of protest as need or occasion may require.

And in order that the Government of Chili may not be ignorant of this solemn act, I request your excellency to forward copy to the minister of the United States in that republic to present to that government, and, also, if your excellency considers necessary or politic, to present this to the notice of the members of the honorable diplomatic corps in Lima, that they may act as each may consider best in the interest of his own citizens.

I have, &c.,

T. C. MONTJOY,
United States Consul.

No. 250.

Mr. Christiancy to Mr. Evarts.

No. 145.] LEGATION OF THE UNITED STATES,
Lima, Peru, March 31, 1880. (Received April 24.)

SIR: As an evidence of the delicate and dangerous position of many American citizens in Peru, their intense feeling against the manner in which Chili is carrying on the war, and their strong and earnest hope that the minister of the United States here should take some speedy and energetic action for their protection, I have the honor to inclose a copy of a communication, this day addressed to me by some sixty-nine American citizens and firms, resident in Lima, Callao, Chorillos, and Miraflores, and there are many more, I am informed, who are yet to sign.

I deeply sympathize with these citizens of the United States, and am disposed to accede to their request for protection, just so far as the principles of international law will permit me to go, but I cannot consent to violate any of the clearly recognized principles of that law, even to protect our own citizens domiciled in Peru. I can see no way in which I can aid those resident or doing business in Callao, except to insist that, if a blockade of that port shall take place, a reasonable time shall be given to neutrals to remove from the port, and, if a bombardment is to be had, that a reasonable time shall be given for all peaceable and unarmed inhabitants to remove with their personal effects beyond the reach of hostile shot. Callao is a fortified town, and an important military post of Peru, defended by forts, batteries, and an armed force. It is, therefore, a legitimate point of attack, and the town is so situated, with reference to its forts and batteries, that these latter cannot be attacked without endangering the town itself. As to a town thus situated and defended, I must admit that less length of notice may be required of the establishment of a blockade, or of the opening of a bombardment, than would be required in the case of an open, unfortified, merely commercial town, undefended by a military force. If bombardment of towns of the latter description is permissible at all, when no resistance is shown, no military force opposes (which I fear the lingering barbarism of past ages still recognizes as a part of international law, but which I think would be "more honored in the breach than the observance"), common sense and common humanity would seem, at least, to require a notice sufficient for all non-combatants to remove with their household goods out of the reach of the guns.

But, there is still another class of towns along or near the coast, such as Chorillos and Miraflores, which are not in any sense even commer-

cial towns, nor defended by any military force or works, where vessels never land, but which are merely watering places of resort for peaceable people, and women and children for their health, but which are within reach of long range guns from the Chilian fleet. As to such towns a bombardment would be directly and exclusively against peaceable and unarmed inhabitants, and in my opinion no more permissible upon any sound principle, than the indiscriminate slaughter of the same unarmed, peaceable, and defenseless citizens anywhere in the interior. It would not be legitimate war in either case, except so far as might be necessary to reach an armed enemy near or beyond them, but simply wholesale murder, and ought to be condemned by all nations making any pretension to civilization.

But, I shall decide upon nothing hastily, nor until a decision becomes necessary. I met to-day the French, English, and German ministers, and the Italian chargé d'affaires at a breakfast at the French minister's. We had some consultation upon these matters. Some of them felt disposed to go a little further than I could go. But we are to meet again, ten days hence, or sooner, should the Chilian fleet make it necessary.

While I do not wish to take any such advanced ground as would interfere with the freedom of either belligerent to carry on the war in any legitimate manner, nor insist upon any restrictions to which we would not ourselves be willing readily to submit; yet, on the other hand, I do not wish American citizens to feel that their government will not go as far to protect them as other civilized and commercial nations are ready to go in protecting theirs.

I may have to act, to some extent, upon my own responsibility, as I shall probably have to act before I can receive instructions from the Department.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 145.]

American citizens to Mr Christiancy.

To His Excellency the Hon. I. P. CHRISTIANCY,
Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Peru:

SIR: We, the undersigned, citizens of the United States, engaged in commerce, trade, and other occupations, now temporarily residing in Peru, most respectfully call the attention of your excellency to the orders given by the Government of Chili to its fleet, to burn and destroy every port on the coast of Peru, and to the fact that the last news from the south brings the notice that their fleet is preparing to come, if not already on its way, to destroy the towns and ports of this vicinity. We have the terrible example of the barbarous mode of warfare of the Chilians in the sacking and burning of Pisagua, and more recently Mollendo, Islas de Lobos, and Eten, where the most unparalleled crimes and indignities have been committed, together with a wanton and cruel destruction of foreign property. Our countrymen resident in those places have suffered to an immense amount. At Tumbes, Talara, Islas de Lobos, Eten, &c., the whole property plundered or destroyed has been that of our citizens or of those of other neutral nations. We are all well aware, sir, that under the present recognized international code the neutral resident in a belligerent country suffers equally with the native, but we cannot consent that the right of a belligerent be so far exercised that he be permitted to wage exclusive war against the neutral residents in his enemy's country. Thus far the greater part of the losses and disasters have fallen upon neutral residents, and should the designs of the Chilians be permitted to be carried out, almost every such resident will be reduced to destitution. The watering places of Chorillos, Barranco, Miraflores, and Ancon are only the resorts of invalids and convalescents. They are neither centers of trade, commercial ports, or military posts; and of the elegant and costly residences, a great portion pertain to neutrals, and are the abodes of their wives and children, who are now perturbed with fear and alarm at the impending

danger, fears unfortunately too well founded, as we have seen, so far that the war as carried on by the Chilian fleet has been but the marauding attacks of pirates and buccaneers, with the exception in favor of those of the seventeenth century, that their valor led them to attack forts and fortified places to conquer and pillage; whereas we have seen during the last year that the bravery of the Chilian naval forces has been displayed mostly in attacks on the defenceless, where the groans of the sick, the supplications of women, and the wails of children have been the only resisting force, and where against such fearful foes plunder, conflagration, murder, violation, utter ruin, and disaster have accompanied their footsteps, and to such an unwarranted and barbarous extent has this proceeded as to call forth the unanimous and indignant protest of diplomatic representatives of all civilized nations at Santiago, Chili.

Callao, the great center of foreign trade with Peru, is a city of 35,000 to 40,000 inhabitants, of which more than two-thirds are neutrals. Around the ancient fortresses of the Spanish rule, has grown up an important commercial town of almost exclusive foreign enterprise; and, although international law provides that the fortified places of the enemy are legitimate points of attack, still, to-day, the enormous range of the instruments of modern warfare permit an insignificant force to destroy, almost with impunity, large and populous cities; and, as we have seen at Arica and other points on the coast, the Chilian ships of war have preferred to make the peaceful and neutral dwellings of those places the objective point of their artillery rather than risk a possible disaster from a duel with the batteries, and that hitherto, women and children have been the victims of those valorous encounters.

Considering, therefore, that we have well grounded precedents to fear the destruction of our homes and property, and the sacrifice of the lives of ourselves, our wives, and children; and further, that the greater number of the ports of Peru are mere business and commercial centers or health resorts of invalids, surrounded, for leagues, by inhospitable and impracticable belts of desert where the means of flight or removal are scanty and altogether inadequate.

And, further, that we have left our country to establish its trade and extend its commerce and influence in Peru and to contribute to its greatness under the solemn pledge of protection and such interpretation of the code of international warfare as may mitigate and avert unnecessary attacks upon our lives and the destruction of our property when such operations, as in the present case, do not conduce either to the termination of the war or to the harassing or weakening of the enemy.

And, further, that we cannot see or suffer that the strenuous efforts of our government, our citizens, and ourselves, exerted for a number of years to the end of asserting and securing our proper amount and proportion of trade, commerce, and influence, in this South American republic, be destroyed in a manner not justified by legitimate warfare nor with due regard to the rights of neutral citizens of friendly nations.

And, further, that Chili, founded upon the bombardment of Valparaiso in 1866, by the Spanish naval forces, in which foreign residents were the chief sufferers, seeks today to spread dismay and terror among their enemies by the devastation and destruction of neutrals and non-combatants upon whom has fallen, so far, almost the entire consequences of the war.

Therefore, we here most earnestly petition your excellency to take such steps as you may, in your superior wisdom, consider best adapted for the protection of ourselves, families, and property, and to make on our behalf a most earnest and effective remonstrance against the proposed attacks upon our defenseless residences in Chorillos, Barranco, Miraflores, Ancon, Chimbote, etc., and to exert the whole weight, influence, and discretionary power of your position, to mitigate and avert the evils of a bombardment of the town of Callao, limiting so far as diplomacy may avail, the danger and destruction to the combating forces of the forts and ships of war, and to the end and purpose of using all precautionary means of redress and protection in our power. We here make this public and solemn collective protest against the manner in which Chili has, and proposes to carry on the war, as inhuman, barbarous, and unworthy of a civilized nation, and against the destruction of ourselves and property by her armed forces, who have thus far directed their attacks against us, peaceful and non-combating neutrals, and we do demand and claim, through our government, just indemnity and payment from the Republic of Chili for all losses, damages, whatsoever, which we have suffered or may hereafter suffer, through the acts of Chilian forces not justified by the rules of modern civilized warfare.

We are, sir, your excellency's most obedient servants.

Lima, March 30, 1880.

JOHN C. MEIGGS,
A. A. BLIVEN,
(and sixty-six others.)

No. 251.

Mr. Christiancy to Mr. Evarts.

No. 148.] LEGATION OF THE UNITED STATES,
Lima, Peru, April 6, 1880. (Received April 27.)

SIR: I have the honor to inform you that I have written to J. W. Merriam, our consul at Iquique, under date of 5th instant, giving him an exact copy of so much of your dispatch No. 65 as relates to his official duties, which he will, of course, follow.

I have, &c.

I. P. CHRISTIANCY.

No. 252.

Mr. Christiancy to Mr. Evarts.

No. 151.] LEGATION OF THE UNITED STATES,
Lima, Peru, April 6, 1880. (Received April 27.)

SIR: Referring to your dispatch No. 63, I have the honor to inclose herein a copy of my official note to the secretary of foreign relations of Peru, of April 3 (No. 39), calling his attention to the eighteenth article of the treaty between the United States and Peru, and expressing to him the views entertained by our government of the effect of that treaty as to American vessels transporting nitrates from that part of Peru now in the military occupation of Chili.

I desire further to say, that from the first appearance of the circular of the secretary of foreign relations I had taken the same views of the clause to which you allude that you have expressed in your dispatch. But as I knew that Peru had no cruisers which could safely get south of Iquique for the present, I looked upon that clause in the decree as *brutum fulmen*, an abstraction so far at least as the United States were concerned; and thought it good policy to allow the other foreign representatives here to deal with that abstraction, until it should become a practical question.

I have, &c.

I. P. CHRISTIANCY.

[Inclosure 1 in No. 151.]

Mr. Christiancy to Señor Calderon.

No. 39.] LEGATION OF THE UNITED STATES,
Lima, Peru, April 3, 1880.

MONSIEUR LE SECRÉTAIRE: By reference to the letter of Hon. Wm. M. Evarts, Secretary of State of the United States, to your excellency, dated the 1st of March last, which I had the honor to send to your excellency to-day, it will be seen that I am expected to explain to your excellency the views which my government entertains of that part of your excellency's circular of the 14th January last, which in effect, declares that the flag of a neutral and friendly nation shall not protect from capture, by Peruvian cruisers, nitrates shipped under the authority of Chili from that part of Peru in military possession of Chili, upon such vessels of neutral and friendly nations.

In the performance of the duty thus imposed upon me, I have the honor to call your excellency's attention to the eighteenth article of the treaty of 1870, between the United States and Peru, and to inform you that in the opinion of the Government of the United

States the shipment of such nitrates upon vessels owned by citizens of the United States is directly and expressly covered and protected by said article, which in substance (among other things) provides, that free ships shall give freedom to goods, and that everything shall be deemed free which shall be found on board the vessels belonging to the citizens of either of the contracting parties, although the whole lading, or a part thereof should belong to the enemies of either, articles contraband of war always excepted; and that, in the opinion of the Government of the United States, if a Peruvian cruiser should capture an American vessel, or seize its cargo, or any part of it, because that cargo, in whole or in part, should consist of the nitrates referred to in the circular of your excellency, such capture or seizure would constitute a clear violation of said eighteenth article of the treaty.

The Government of the United States, therefore, confidently trusts that the Government of Peru, upon having its attention thus called to the treaty, will, from its friendly disposition to the United States, and its desire to preserve inviolate the faith of its treaty, either so modify the circular referred to, or will give such orders as may prevent an act which would give to the United States such just cause of complaint.

The undersigned will not permit himself to doubt that, upon a careful examination of the treaty, this reasonable request will be readily complied with.

I improve this new opportunity to renew to your excellency the assurance of my high regard and esteem.

I. P. CHRISTIANCY.

Exc'mo Señor Don PEDRO JOSÉ CALDERON,
Secretario de Relaciones Exteriores, &c., &c., del Peru.

No. 253.

Mr. Christiancy to Mr. Evarts.

No. 156.] LEGATION OF THE UNITED STATES,
Lima, Peru, April 14, 1880. (Received May 5.)

SIR: I have been ill for the last ten days, a portion of the time confined to my bed, which I hope will be sufficient excuse for any deficiency in my correspondence. I dictate this to my clerk, being unable myself to write. The military situation is substantially as follows:

The Chilian land forces have taken Moquegua and Tarata, and are reported now to have reached Locumba, while the Peruvian forces, under the command of Montero, have left Arica and are now supposed to be at Tacna, except perhaps a thousand men left manning the batteries and defending Arica. There are also understood to be several thousand of the Peruvian forces at Arequipa and its vicinity. It is also reported that there are some of the Bolivian forces at or near Tacna co-operating with Montero. We hear various rumors that a battle has been fought in that vicinity, resulting in favor of the Peruvians. I think all such report as yet wholly unreliable.

By water the Chilians have full command of the sea, and on Saturday last, the 10th instant, a portion of the Chilian fleet, consisting of Blanco Encalada, Huascar, Angamos, Pilcomayo, and Matias Cousino, and two other vessels (whose names are not yet ascertained), with some torpedo launches, appeared at the northern entrance of the port of Callao, just before daylight, and an attempt was made by a torpedo launch to blow up the Peruvian corvette Union, which failed on account of the launches and timber collected around the Union for the purpose of making repairs. On the same day a notice was given by the Chilian admiral to the dean of the consular corps of Callao of his intention to blockade that port, and giving eight days for the neutral vessels then in port to load, unload, and depart; at the same time intimating his intention to attack the military defenses of that port, and that it might become necessary for him, in attacking such military defenses, to fire upon and endanger the town.

The fair inference from his language was that the same period of eight days would be given for the peaceable inhabitants to remove themselves and their movable property out of the range of the guns. The consular corps subsequently requested of him to extend the period of eight to fifteen days, to which he, on the 13th, by letter addressed to the corps, assented to add to the former notification two days, making the period ten instead of eight days, and at the same time signifying that the same length of time would be given for neutrals and noncombatants to remove from the town before he should open fire upon its defenses, unless, in the mean time, he should be provoked to an earlier attack by being fired upon by the Peruvian forces, or an earlier attack should become necessary by some demonstration made by such Peruvian forces.

Considering that Callao is a fortified town, defended by forts, batteries, and military forces, which, by the laws of war, the Chilian fleet have a right to attack, I deem this notice entirely reasonable.

In the mean time it is understood that the regular line of mail steamers from Panama to Callao and back will be allowed to enter and depart with the mail and passengers, but we have no assurance, as yet, that a similar privilege will be accorded after the ten days expire, the 20th of this month.

It is therefore quite probable that it may be several weeks before I shall again be able to communicate with you.

The inhabitants of Callao are fleeing with their property to Lima, and American citizens both of Callao and Lima are appealing to this legation for protection, and though I am out of health, and have no means of protecting them, except such as the United States flag and the position of a minister of the United States may give, I propose to remain at my post and afford them all such protection as may be in my power; though my own private affairs make it imperative that I should leave for the United States at the first moment I can receive leave for that purpose, twice already requested, but not yet answered. I should not now leave until the present crisis is over, if I had the express permission of the President; but I may be allowed again to call the attention of the Department to my two letters requesting a temporary leave of absence, of which I may avail myself at the first moment that the public interest will permit.

I inclose, herein, a copy of the South Pacific Times of the 13th instant, showing substantially the present position of affairs here.

I will further say that the paper currency of Peru has, since the notification of the blockade, fallen to eight paper soles for one American dollar.

I have, &c.,

I. P. CHRISTIANCY.

No. 254.

Mr. Christiancy to Mr. Evarts.

No. 157.] LEGATION OF THE UNITED STATES,
Lima, Peru, April 18, 1880. (Received May 17.)

SIR: Though scarcely able to be out of my bed, yet, as events are becoming interesting here, I make this effort to keep you informed.

Referring to my last dispatch in reference to the progress of the war (No. 156) I will say that since that dispatch the diplomatic corps have

had two meetings, and at the meeting yesterday all unanimously approved and signed the communication to the Chilian admiral, a copy of which I here inclose with translation.

The third point is understood to apply at present to the city of Lima, six miles from the Bay of Callao (but it might be reached by shot from very long-range guns from the Bay of Chorillos, say five miles, the intention to do which has been declared), and of course generally to all other towns due notice of the bombardment of which shall not have been given.

I will further say that immediately after my last dispatch, No. 156, at a meeting of the ministers of England, France, and Germany, and the chargé d'affaires of Italy, it was unanimously resolved that the notice of the blockade given by the Chilian admiral applied only to Callao.

Knowledge of this resolution was, I suppose, conveyed to the Chilian admiral, when he declared that the notice was intended to apply also to the towns of Chorillos, Miraflores, and Magdelena; but I am satisfied from information received through the British minister, who, as well as the commander of the English naval vessels here, seems to be on very friendly if not intimate terms with the Chilian admiral, that the Chilian fleet do not intend to fire upon the three latter towns unless provoked by hostile demonstrations therefrom, though the blockade will apply to them.

The regular line of English mail steamers (upon which we all have to rely for our mails north and south) is no longer permitted to enter Callao. But the port of Ancon (20 miles north) is as yet open, and a steamer from there to Panama is expected to leave on the 22d, by which I expect this to go.

On the 20th, at 12 m., we expect the bombardment upon Callao to commence. The Chilians have eight vessels here, among which are Blanco Encalado, the Huascar, and the Angamos, and it is believed they will have more before the attack is commenced. Our consul, Mr. Clayton, has, with my advice, removed the archives of the consulate on board the Onward to await the result.

On land, the only news of importance since my last is that Campero, after having put down the revolution against him at La Paz, has joined Montero, the Peruvian commander at Tacna, with from 2,500 to 3,000 men (and that more are coming from Bolivia), making at present, of the allies at Tacna, some 13,000 or 13,500 men. The Peruvians are also said to have some 7,000 at Arequipa.

Such, in brief, is the present situation, but a few days may change it all.

In the mean time the Peruvian paper soles are quoted for exchange at from 6¾ pence to 7 pence, or, in American gold, at, say from 13 to 14 cents per sol.

I have, &c.,

I. P. CHRISTIANCY.

P. S.—I inclose copy of the answer of the Chilian admiral to the communication of the diplomatic corps above referred to.

P. S. 2d, April 21.—No bombardment yet commenced on Callao.

[Inclosure 1 in No. 157.—Translation.]

Diplomatic corps to Admiral Riveros.

LIMA, *April* 17, 1880.

The undersigned, after reading the note of Admiral Riveros, to the consular corps of Callao, are convinced that, in conformity to his declarations, the chief of the blockading squadron, on making use of the rights of war, coinciding with his own interest, is aware of the rights due to neutral individuals and their properties. Nevertheless, the correspondence between Admiral Riveros and the consular corps leaving some points uncertain, they deem it their duty, in order to protect the interests of those under their charge, as well as to cover their responsibility towards their respective governments, to make the following declaration:

1st. That they reserve all questions in regard to the damages which may be caused, without military necessity, to the persons and property of neutrals.

2d. That they especially make these reservations in case of the bombardment of open and undefended localities.

3d. They do so likewise in the case of a bombardment of a town not expressly designated in a previous notification.

The undersigned hope that the Chilian admiral will be pleased to acknowledge the receipt of these reservations, and avail themselves of this occasion to offer him the assurance of their high consideration.

The minister of Ecuador: J. DE T. PINTO.

The minister of the Argentine Republic: JOSÉ DE URIBURU.

The minister of France: E. DE VORGES.

The minister of the United States: I. P. CHRISTIANCY.

The minister of Great Britian: SPENCER ST. JOHN.

The minister of Germany: V. GRAMATZKI.

Chargé d'Affaires of Italy: J. B. VIVIANI.

Charge d'Affaires of Brazil: MELLO Y. ALVIM.

[Inclosure 2 in No. 157.—Translation.]

Admial Riveros to the diplomatic corps.

APRIL 18, 1880.

The undersigned has the honor to acknowledge the receipt of the esteemed collective note, dated yesterday, which the honorable diplomatic corps of Lima, has been pleased to address to him.

That valuable communication has for object to establish declarations and reservations on the following points:

1st. In the case that the persons and property of neutrals will be damaged without military necessity.

2d. In case of the bombardment of open and undefended localities.

3d. In case of the bombardment of a town not expressly designated in a previous notification.

The undersigned, while sustaining the declarations and communications which, in the proper opportunity, addressed to the honorable consular corps of Callao, and to the commanders of the naval forces of neutrals in this harbor, has the honor to acknowledge the receipt of that respectful note, placing to the knowledge of the honorable gentlemen who signed it that, by the first opportunity, he will make it his duty to transmit the original to the Supreme Government of Chili.

The undersigned commander thinks proper to repeat here his declaration that, as far as the necessities of war and his instructions will permit, he will never forget the duties which the principles of humanity impose upon him, and the respect due to those who have not the character of belligerents.

The undersigned has the honor to offer, &c.,

No. 255.

Mr. Evarts to Mr. Christiancy.

No. 76.] DEPARTMENT OF STATE,
Washington, April 19, 1880.

SIR: I have to acknowledge the receipt of your No. 140, in which you inclose a report of Consul Montjoy, relative to the destruction of neutral property at the Lobos Islands by Chilian vessels.

The Department had received information from our minister at Santiago of the issuance of the order, which appears to have been in part carried out at these islands, on the occasion referred to, and also of a representation made by the minister to the Chilian Government, to the end of procuring a modification of the order in the interest of neutral citizens of the United States. This government will not fail to protest to the minister of Chili in Washington against the conduct of the war, to the injury of citizens of the United States; and should Peru pursue a like course to that of Chili, it will be expected that you will make due representations to the minister of foreign affairs, to prevent damage to the citizens of this country and to restrict the collisions of a military character, the cruelties and devastations of the war.

I am, &c.,

WM. M. EVARTS.

No. 256.

Mr. Evarts to Mr. Christiancy.

No. 77.] DEPARTMENT OF STATE,
Washington, April 23, 1880.

SIR: I transmit herein for your information a copy of a late* instruction sent to Mr. Adams, the newly-appointed minister of the United States to Bolivia, respecting a proposition of Chili touching an exchange between those countries of prisoners of war.

I am, sir, &c.,

WM. M. EVARTS.

No. 257.

Mr. Tracy to Mr. Evarts.

[Translation.]

PERUVIAN LEGATION,
New York, April 26, 1880. (Received April 27.)

SIR: Yesterday, Sunday, the 25th instant, this legation received, through the Peruvian consul-general at Panama, a telegram from the Supreme Government of Peru, which reads as follows:

Callao blockaded. Peruvian Government has declared the inlets to be major ports, and the ports between Casma and Pisco to be minor ports.

* For inclosure see correspondence with United States minister to Bolivia, document No. 22.

I have the honor to communicate this to your excellency for such action as you may deem proper, and I take advantage of this opportunity to renew, &c.,

JOSÉ CARLOS TRACY.

No. 258.

Mr. Evarts to Mr. Tracy.

DEPARTMENT OF STATE,
Washington, April 28, 1880.

SIR: I have the honor to acknowledge the receipt of your note of the 26th of April instant, communicating information of the blockade of Callao, &c., and to say in reply that I have acquainted the Treasury Department with the intelligence received.

Accept, sir, &c.,

WM. M. EVARTS.

No. 259.

Mr. Christiancy to Mr. Evarts.

No. 159.] LEGATION OF THE UNITED STATES,
Lima, Peru, April 28, 1880. (Received May 24.)

SIR: Referring to my dispatch No. 157, I have the honor to state that no authentic news has since been received as to the operations of the armies in the south; that on the 22d instant, at 2 o'clock p. m., the Chilian fleet, blockading Callao, or rather that part of it consisting of the Angamos, the Huascar, and the Pilcomayo, opened fire upon the defenses of Callao, and upon the monitor Atahualpa, the corvette Union, and the transport Oroya, which latter were inside the mole, and in great part protected by it.

The fleet fired about 120 shots, killing one man on the Union and wounding one or two others; wounding 4 on the Atahualpa, and on the Rimac 1, killing one man in the arsenal and three horses, and wounding two men, also wounding one man at the south battery.

This seems to have been the extent of the injuries inflicted by the bombardment.

The batteries fired somewhat more shots than the fleet, though most of them fell short of reaching the fleet, which was some 5,000 to 5,500 meters from the shore, and had the advantage of longer range guns. We have no information of the casualties which may have happened to the Chilian fleet.

The fleet drew off before 5 o'clock p. m., and the attack has not been renewed, though the blockade is strictly kept up.

We hear rumors to-day that the port of Ancon will be blockaded on the 1st May, but no notice yet given. Should it be so our mails can only be sent from Chimbote, unless some arrangement shall be made between the neutral naval vessels and the Chilian admiral to send and receive the mails.

I have, &c.,

I. P. CHRISTIANCY.

P. S.—Whether the Peruvian batteries threw shot to the full extent of their range may be doubtful. I can only say that if I had been in command of those batteries they should not, on that occasion, have thrown their shot more than half or two-thirds their range, for reasons which must be obvious to every one who knows that the guns of the fleet had really the longest range.

I. P. C.

No. 260.

Mr. Christiancy to Mr. Evarts.

No. 162.] LEGATION OF THE UNITED STATES,
Lima, Peru, May 5, 1880. (Received May 31.)

SIR: I have the honor to inform you that since my dispatch, No. 159, absolutely nothing of any moment has taken place on land or sea in this Chili, Peru, and Bolivian war, so far as intelligence has been received here.

The attempt to bombard Callao has not been repeated, and it seems to be the opinion of the neutral naval officers here that it will not be until the result between the land armies in the south shall be known.

The Peruvians, since my last, have erected another water battery of heavy guns.

The blockade of Callao is strictly enforced, but the port of Ancon, 20 miles north (communicating with Lima by railroad), is still open, and no notice yet given of intention to blockade, though we are expecting it daily.

I am, &c.,

I. P. CHRISTIANCY.

No. 261.

Mr. Christiancy to Mr. Evarts.

No. 165.] LEGATION OF THE UNITED STATES,
Lima, Peru, May 12, 1880. (Received June 5.)

SIR: I have the honor to inform you that on the 10th instant, at 2 o'clock p. m., the Chilian fleet renewed the bombardment of Callao and its defenses, and continued it until after 5 p. m., all the vessels of the fleet participating, and firing together about 364 shots, and the batteries and Peruvian shipping replying with less than half that number.

The range of the 500-pound Rodman guns and of the 1,000-pound guns of the batteries was found to be greater than expected, and many of the 500-pound guns fired clear over the enemy's vessels. But very little damage was done by the guns of the Chilian fleet, none to any of the batteries. The Peruvian corvette Union and the transport Oroya, as well as the transport Chalaco, were slightly injured, and a few men wounded upon them. The only report of killed and wounded given by the government is 3 killed, of whom 2 were women, and 12 wounded, mostly non-combatants. But our naval officers think there must have been more, and that the Peruvian authorities purposely conceal the facts.

The Huascar was hit once or twice by guns from the batteries, and the Peruvians claim that they also hit the Blanco and the O'Higgins; but if this is so, it is clear that no serious damage was done.

Yesterday notice was given by the Chilian admiral of the blockade of Ancon, giving eight days, of which this is the first, for neutrals to quit the port. How we are to get our mails away after that is not yet determined.

We have rumors here of some successes of the allied army in the south. It is said they surprised and took Moquegua with all the sick and wounded of the Chilians, amounting to some 1,600 men, and some 800 soldiers on duty. But this needs further confirmation before it can be taken for granted.

No one here yet talks of peace.

I am, &c.,

I. P. CHRISTIANCY.

No. 262.

Mr. Christiancy to Mr. Evarts.

No. 172.] LEGATION OF THE UNITED STATES,
Lima, Peru, May 28, 1880. (Received June 26.)

SIR: I have the honor to inform you that I have this moment received the letter of Mr. Osborn of 13th instant, from Santiago.

I have now only time to refer you to a copy of my letter to Mr. Osborn of May 7, which I inclose, and to say that, so far as yet known here, the situation is exactly the same as when that letter was written.

It is generally believed here that the land armies in the south must, ere this, have come to a decisive engagement, and all efforts for and prospect of bringing about a peace, hinge upon that result. I will say here that the supreme chief of Peru fully understands the position of the United States in reference to peace, and cordially approves it, and that Bolivia will undoubtedly concur with Peru. But I must say also, that I have no assurance from him that he would be ready to treat for peace on any *such* terms as indicated in Mr. Osborn's letter, even in case of a crushing defeat of the allied forces in the south. And my own impression is that he would not listen to *such* terms under any calamities the Chilians may be able to inflict.

On the other hand, should the allies be successful in the land contest, I think there might be a fair opening for efforts to secure peace, as the terms in that event would not be likely to be so humiliating to Peru.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure in No. 172.]

Mr. Christiancy to Mr. Osborn.

No. 60. (Misc.)] LEGATION OF THE UNITED STATES,
Lima, Peru, May 7, 1880.

SIR: Referring to the instructions of the State Department in the Secretary's dispatch of March 9, in reference to influences likely to be brought to bear upon Chili on the one side and Peru especially on the other, to constrain them to make peace, and the policy of our government in such a contingency, as well as the policy of friendly mediation, and referring you also to the instructions of identical effect which I am

assured have been sent to you, I will say that I am ready and anxious to contribute by any legitimate means in my power to bring about a peace, and to carry out the policy indicated by our government, at the earliest practicable moment, and in doing so I wish to co-operate cordially with you.

But while the present dead-lock continues, and especially until the land armies now in the south of Peru shall have had a decisive battle, so as to show that one or the other is clearly victorious on land, I see nothing which can be done here in the desired direction. I hope you will watch matters in Chili as relates to these questions and keep me posted.

I am, &c.,

I. P. CHRISTIANCY.

No. 263.

Mr. Christiancy to Mr. Evarts.

No. 173.] LEGATION OF THE UNITED STATES,
Lima, Peru, June 7, 1880. (Received July 2.)

SIR: Referring to my dispatch No. 165, in relation to the progress of the war, I have to say: 1st, in relation to the blockade of Callao and Ancon, that it has been effectual as a blockade, but that several bombardments of Callao have since been made by the Chilian fleet with little effect and no decisive results; the damage done to the town and Peruvian shipping not amounting to one-tenth the cost of the ammunition expended by the Chilian fleet.

Many attempts have been made by both sides with torpedoes, but all have been utter failures so far as relates to the blowing up of vessels. Yet the fear of them had evidently operated to keep the blockading squadrons at this and other ports at a respectful distance, especially at night. There have been several encounters of the torpedo launches in the bay of Callao at night, none of which was of much importance, except that of the night of the 24th May, in which the Chilians suffered most, losing their steel torpedo launch, the best in their service, which cost from $125,000 to $150,000, and was of greater capacity than any of the Peruvian or any other of the Chilian launches.

I send you the official report of this transaction from Lieutenant Galvez, the hero of the occasion, as published in the South Pacific Times. If it is not entirely intelligible, it is probably owing to the fact that the transaction itself was somewhat confused, even to the actors themselves. (See South Pacific Times, of June 4, inclosed, article marked $\frac{1}{17}$.)

So much for the naval operations.

On land. For many weeks we were without any reliable news of importance. For some two months the hostile armies appeared to be playing what the French call *cache-cache*, hiding from each other, till finally the allied forces, with the exception of 3,000 to 4,000 men at Arequipa, under Colonel Leiva, took up their position at Tacna; and the Chilians, after several times changing their base on the coast and their position in the interior, owing, it is supposed, to the difficulty of transporting their artillery and stores, concentrated their forces at or near Sama, and moved upon Tacna in force.

As far as the facts can be ascertained, almost all of which came from Chilian sources, and mostly unofficial, an affair of outposts took place near Tacna, on the 25th May, in which the Chilians had the advantage. On the 26th the battle became general, and was continued into the 27th, when the allied forces were driven from their positions and from the town of Tacna, and the Chilian forces took possession of the town, the

allies retreating and taking up a strong position at Palca. (See the map inclosed, made by my clerk, who is familiar with that region, and has given the names and positions of several of the places not found on any general map.*)

The first intelligence we received here of the above transaction was June 1, when the small Chilian steamer Tolten arrived and communicated with the Chilian fleet, and the only dispatch the steamer brought was "Tacna taken; Campero prisoner."

On the 5th instant the English man-of-war Ganet arrived here, having left Arica on the 2d instant, and the only entirely reliable news she brings is the following sent me by Captain George Brown, of the United States steam frigate Alaska.

At Arica all that was known on the 2d, when she left, was that the Chilians occupied Tacna on the 27th ultimo, after two days' fighting, and drove the Peruvians into the hills and beyond the point where the water supply could possibly be cut off.

There are only 1,500 Peruvian troops in Arica: off the port are three Chilian transports loaded with troops and supplies; also two men-of-war.

By various reports since heard from Peruvian, and some from Chilian sources, it is left in great doubt whether Campero was wounded or taken prisoner; it is reported that Montero was the general wounded, and not taken prisoner. It is also reported, and generally believed here, that Colonel Leiva, with 3,000 or 4,000 men from Arequipa, was at Ilabaya or Sama on his way to join the main body of the allies at Pachia, but how much of this is reliable it is at present impossible to say.

What is reliable among all the contradictory reports is: 1st. That the allies suffered a defeat at Tacna; that they have fallen back towards the Bolivian frontier, having lost 8 pieces of cannon and several Gatlings, a loss which cannot be supplied. 2d. That both parties fought well, and the contest was sanguinary, but that the Chilians, by superiority of number and superior artillery and cavalry, triumphed. 3d. That a part of the Chilian army his been sent to attack Arica from the land side, while the Peruvians have not over 1,500 men and some 14 heavy guns, formerly directed to the seaport, now turned to the interior to defend the town; and the probability is that the next steamer from the south will bring the news of the capture of Arica.

It has been currently reported, and the foreign ministers here generally believe the report, that as soon as the Chilians should be clearly victorious on land in the south they would propose terms of peace, but this has not yet been done, and the government here do not yet consider the disasters in the south at all decisive; and the spirit of the people here, and of the supreme chief who represents them, is such that it is felt to be useless to propose to them negotiations for peace until they recognize the utter hopelessness of continuing the contest. All the representatives of foreign powers here are, so far as I can judge, as anxious for peace as I am.

My relations are entirely cordial with the supreme chief; and should Arica be taken, as seems now probable, and should the Chilians then offer terms of peace, I shall venture to make to him such suggestions to this end as I think just and advisable under all the circumstances of the case; but I do not intend to go further than to suggest. I will not take upon myself the responsibility of advising, as this might be looked upon as officious. Chili, I am satisfied, wants peace as well as Peru; but the great obstacle, in my opinion, is likely to be the exorbitant demands of Chili, flushed with victory by land and by sea. But I think

* The map referred to is omitted from the present publication.

there will be quite a general concurrence of all the foreign representatives here to aid in moderating such demands; and if the effort of negotiation shall once take the shape of a proposition from either party there would be good ground for believing that a proper result might be reached.

The first step would naturally be an armistice. The Chilians would probably demand, in the first instance, the whole province of Tarapaca, but this might, in the progress of negotiation, come down to a proposition for a pecuniary indemnity for the expenses of the war, with a claim by Chili to hold the province as a security for the indemnity until it should be paid, &c. But if the principle of indemnity can be once agreed upon, and perhaps the original question of boundary, the foundation is laid for arbitration; and from what I know of the disposition of this government, and believe of that of Bolivia, as well as what Mr. Osborn writes of the disposition of Chili, I think the United States would be selected as the arbitrator. Complications may arise as to Bolivia, and for this reason it is particularly unfortunate that Mr. Adams has not yet arrived. But I hope for his arrival by the next steamer.

No effort of mine shall be wanting to bring about a peace. But I have great fears that this government, embittered as it is by defeat, may refuse any terms. Chili cannot conquer Peru, though she may financially ruin her, and this is not in the interest of any nation represented here.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure No. 1 in No. 173.—From the South Pacific Times, June 4, 1880.]

THE ENGAGEMENT BETWEEN THE PERUVIAN AND CHILIAN LAUNCHES.

(Official report.)

The following is a translation of the official report of Lieutenant Galvez of the engagement between the Peruvian launch Independencia and two Chilian launches on the night of 24th ultimo, already alluded to:

LIMA, *May* 29, 1880.

To the Captain of the Navy, Chief of the Staff of the Department:

In compliance with my duty I have to advise you of the occurrences during the night of the 24th ultimo, when I was fulfilling the commission confided to me by your department, which had placed under my orders the steam-launch Independencia.

At 11 p. m. I took command of the launch, having under my orders the midshipman San Martin and thirteen men, consisting of engineers, firemen, the coxswain and seamen; the doctor, Don Manuel Ugarte, also embarked, having obtained permission to accompany me on the expedition.

From 11 p. m. until 2 a. m. nothing extraordinary occurred, and having carried out the orders I had received I was about to return, when I observed that a Chilian launch was advancing from the point of the island to the anchorage of the neutral vessels.

As was my duty I went to meet her and fired at her four shots from our cannon. Unfortunately the ring-bolts gave way and the gun was rendered useless.

The Chilian launch, of far better speed than ours, placed herself out of our reach, and I then gave orders to retire. A few moments afterwards I saw the launch I had chased, accompanied by a larger one with two funnels, was coming towards me to cut off my retreat.

The greater speed of these launches enabled them to effect their object, and in a few moments they were within musket shot. I gave orders immediately to fire from our Gatling gun and the muskets we had, but another accident happened: the Gatling gun got out of order, and I found myself without the means of attack against the enemy, who was much stronger, and who was now rapidly advancing.

I had with me in the launch a torpedo loaded with 100 pounds of common powder, and

without loss of time, and assisted by Señor Ugarte, I fired the fuse, using for this purpose the flame of the lamp, and so held the torpedo until the bow of the Chilian launches touched our stern. Señor Ugarte and myself threw the torpedo on the deck of the enemy's launch, but as it occurred to me that the five-minute fuse might allow them time to cut it or throw the torpedo overboard, and thus frustrate my project of blowing them up; I fired at the torpedo with the arm I had, causing it to explode at the second shot. Señor Ugarte and myself were thrown by the explosion to the bottom of our launch, and, although I remained stunned with the blow, I felt that the enemy was firing upon us with his Gatling guns. In a few moments the water inundated the Independencia, and as I felt she was going down I tried to get rid of my great-coat and muffler; in this I was assisted by the seaman, Pablo Villanueva, who had suffered a slight contusion; alone it would have been impossible for me to do so. The Independencia was going down, taking us with her, but fortunately for me as soon as she touched the bottom I made an effort to save myself and reached the surface, when a few moments afterwards I was taken prisoner by a Chilian boat.

With my face and hands burnt by the explosion of the torpedo, blind, and almost deaf in the first moments, and much bruised by my fall, I scarcely know what happened to me.

I was taken to the Blanco Encalada, and removed from her the same morning to the Keelder Castle, having received in both vessels the assistance which my condition required.

Among the Chilians who spoke with me I found Lieutenant Señoret, who informed me that the launch which he commanded had sunk, together with ours, but more fortunate than myself, he had only received a slight wound on the arm.

I cannot give you any exact account of the damages caused to the enemy, but on our part I feel certain that we have to deplore the loss of the intrepid Señor Ugarte, the midshipman, San Martin, and some others, because at the bottom of the Independencia I felt three bodies close to me when she went down.

It is my duty to recommend to the supreme government the good behavior of the crew of the Independencia; they all did their duty, especially Dr. Ugarte, who distinguished himself and did not hesitate to sacrifice his life in assisting me to throw the torpedo which destroyed the Chilian launch and our own, rather than allow the latter to be taken or destroyed by the enemy. I have also to recommend the seaman, Pablo Villanueva, who, at the moment when the Independencia was sinking and when we were completely under the fire of the enemy, their launches being much higher out of the water than ours, offered to sacrifice himself with me, and assisted to save my life.

Your honor will please to bring to the knowledge of the supreme government this report. There remains to me the satisfaction of having done on my part all that I could in obedience to my duty as an officer and a citizen.

May God have you in his keeping.

Not being able to sign, in consequence of my wounds, my brother, Don Justiniano A. Galvez, does so at my request.

For José Galvez, second lieutenant of the monitor Atahualpa.

JUSTINIANO A. GALVEZ.

No. 264.

Mr. Christiancy to Mr. Evarts.

[Confidential.]

No. 175.] LEGATION OF THE UNITED STATES,
LIMA, PERU, *June* 10, 1880. (Received July 29.)

SIR: I have the honor to inclose to you the copy of a confidential letter of Mr. Osborn, our minister to Chili, dated May 21, in reference to our consul at Iquique. Also copy of my letter of to-day to Mr. Merriam, the consul.

Also copy of my letter to Mr. Osborn in reference to same, of this date.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure No. 1 in No. 175.]

Mr. Osborn to Mr. Christiancy.

[Confidential.]

LEGATION OF THE UNITED STATES,
Santiago, Chili, May 21, 1880.

SIR: The mail which leaves Valparaiso to-morrow will close here in a few minutes and I must therefore make my communication quite brief.

I have just returned from a conference with the minister of foreign relations, wherein, among other subjects, was discussed some proceedings of our consul at Iquique, Dr. Merriam.

While I was at Iquique in April, Dr. Merriam informed me of the talk which he had had with Captain Lynch, the Chilian military officer in charge, in which Captain L. had intimated that he (Merriam) was not properly observing his obligations as a neutral official, and had suggested that it might become necessary, in a certain contingency, to send him out of the district. At Dr. Merriam's suggestion I conversed with Captain Lynch in regard to the matter, and in the course of our talk I requested him, if he had any complaints to make of the doctor, to correspond with his government at Santiago on the subject. Knowing well of the strong sympathies of Merriam for Peru, a fact which was not at all singular in view of all the circumstances, I took occasion to caution him regarding his course and especially against the transmission of correspondence, by virtue of his privilege, to or for the enemy. He answered me that nothing of the kind had been done by him, and promised me faithfully that it should not. Captain Lynch, however, was quite confident that the consulate had been used for the purpose of carrying on a correspondence in the interest of the Peruvian Government. In view of the promises and assurances made me by Merriam—voluntary of course, for I asked him for none—you can judge of my astonishment to-day at being told by the minister that the government had positive evidence that our consulate in Iquique was being used as had been charged.

I intimated that I had doubt in regard to it, when he produced an envelope (which had been inclosed in another addressed to Merriam, as consul) directed to the minister of war at Lima, and containing official communications from General Montero. I saw the direction on the envelope and the message which it contained, and know that there can be no mistake about it. They assure me that it was forwarded from Arica under cover to Merriam as consul, but how they got possession of it I did not learn.

There are some troops at Iquique, and I fear that if this should become known, Merriam's life there would not be safe. I think he ought to leave there, and that some other person should be named to take temporary charge of the consulate. If you should see fit to make an appointment there for temporary purposes, I do not doubt that the Chilian officials would recognize it. There are two Americans in Iquique by the names of Holcomb and one whose name I have forgotten, living with Dr. Watrous or Walters. Either of them is perfectly competent and either would, I judge, take charge of the consulate if asked by you.

Very truly, yours,

THOMAS A. OSBORN.

[Inclosure No. 2 in No. 175.]

Mr. Christiancy to Mr. Merriam.

[Confidential.]

LEGATION OF THE UNITED STATES,
Lima, Peru, June 10, 1880.

DEAR SIR: I have just received a letter from Mr. Osborn, our minister at Santiago, in which he says the Chilian minister of foreign relations, complains that your consulate is being used for the transmission of correspondence to the Peruvian Government, and that the minister produced to him (Osborn) an envelope which had been inclosed in another addressed to you as consul, directed to the minister of war at Lima, and containing official communication from General Montero. Mr. Osborn thinks that your life will not be safe in Iquique, when this is known there. Unless, therefore, you can explain this to the authorities there in such manner as to show that you had been imposed upon, and unconsciously sent this correspondence, I think it would be wise for you to avail yourself of the first safe opportunity to come up to Lima or some other place in the north until the present war is closed.

Our consuls, and even our ministers may sometimes be imposed upon in such matters, but we must not knowingly transmit letters or communications for either belligerent. We must preserve strict neutrality.

I am, &c.,

I. P. CHRISTIANCY.

[Inclosure No. 3 in No. 175.]

Mr. Christiancy to Mr. Osborn.

[Private and confidential.]

LEGATION OF THE UNITED STATES,
Lima, Peru, June 10, 1880.

SIR: I received your confidential letter of May 21, in reference to our consul at Iquique, and his forwarding letters from Peruvian officers to the Government of Lima.

I inclose you the copy of a letter I have written this day to Mr. Merriam, our consul at Iquique.

I do not think the case one in which I ought to make any appointment to fill his place, even if he should resign. He is accredited only to Peru and holds only the exequatur of that government. And Iquique being in the full possession of Chili for the present, it is only matter of grace and favor from both governments that he could exercise the duties of a consul there, and so it would be with any successor while things remain as they are. I will write the Secretary of State and let him act his pleasure in the matter.

I have, &c.,

I. P. CHRISTIANCY.

No. 265.

Mr. Christiancy to Mr. Evarts.

No. 177.] LEGATION OF THE UNITED STATES,
Lima, Peru, June 13, 1880. (Received July 29.)

SIR: Referring to my dispatch No. 173 of June 7th, on the progress of the war and the question of peace, I have now to say that nothing of importance has since occurred at Callao or Ancon—no further attempt at bombardment.

But in the south the news since received here shows that the defeat of the allies at Tacna was more crushing and decisive than appeared from the first reports. At the time of my dispatch No. 173 of June 7, it was reported and believed here that Montero had fallen back to Pachia or Palca with some 4,000 men, but it now appears he fell back to Tarata, and that he can muster there only some 1,500 and that the Bolivian force (amount not known) are on their way back to Bolivia, their commander reporting that they go to raise more Bolivian forces to renew the contest.

It also now appears that the Bolivian general, Campero, provisional president of Bolivia (who was commander-in-chief of the allied forces), on the eve of the contest, May 25, resigned, both as provisional president of Bolivia and as commander-in-chief of the allied forces, placing himself and Bolivian forces under the orders of the Peruvian general, Montero. But it seems from a report received here from General Montero that he did not accept the resignation, and that Campero continued as commander-in-chief during the battle, at least.

We have no intelligence yet of Colonel Leiva, with the Peruvian force from Arequipa, having formed a junction with Montero, so that the Chilians may now be said to be practically in full possession of all Tara-

paca and so much of the Department of Moquegua, as lies south of about 17½ degrees south latitude.

It would also seem that a large part, if not the main body of the Chilian army (we have no account of their numbers) were turned back from Tacna, after the victory there, and attacked and took Arica from the land side by assault, on the 7th June, taking all the Peruvian forces there prisoners, except those killed in the assault; and that the Peruvian monitor, Manco Capac, finding herself without support and being attacked from the land side, as well as by the Chilian fleet, was sunk by her officers with several launches, and that the officers and crew are prisoners on the Chilian fleet.

I inclose you translation: 1st, of the Chilian account of the capture of Arica; and, 2d, an account of the same from a neutral source. These being matter of detail, I do not send same in Spanish, as I have stated above the general result.

I also send you a translation of the report of General Montero just received here.

From such results it would certainly seem to disinterested observers that "the end cometh," or ought to come soon. And I know it is the common opinion of all the representatives of neutral nations now at Lima, and of the neutral naval officers here, that Peru, if guided by wise counsels, must accept any reasonable terms of peace which may be offered by Chili, for, though Peru has now here at Lima and Callao an army of from 20,000 to 22,000 men, well armed and equipped, and might, and probably would, succeed in repelling any land force which Chili could bring here, yet Chili, having full command of the sea, may transport her army to any part of the Peruvian coast, and her fleet may make a permanent conquest of all the insular possessions of Peru, and even capture much more of the mainland, it being impossible for Peru to transport troops and munitions of war by land in time to meet such force, owing to the nature of the country.

In view of the present situation, I ventured, yesterday, to call upon the supreme chief, and in a confidential conference I explained to him that, from what I had heard from various sources (unofficial), I thought it quite probable that the Chilian Government, having now gained a decisive advantage by land in the south, would offer terms of peace, which would probably be sent through some member of the diplomatic corps here, and that, should such an event take place, while I would not venture to advise him, he would, I knew, permit me to suggest for his consideration, whether the present condition of affairs did not render it for the interest of Peru to receive and consider such proposition, and whether, if the war was continued, he could expect as favorable terms as at present; that the propositions which might in the first place be made by Chili, now flushed with victory, might be exorbitant, yet, if negotiations were once entered upon, counter-propositions might be made and answered, and perhaps reasonable terms (under all the circumstances) might in the end be reached; that to this end a great point would be gained if an armistice could be agreed upon, and negotiations fairly opened, &c.

He was already aware of the position of our government, and I intimated to him again that if at any time the combatants should indicate a desire for its good offices in bringing about a peace, they would be readily given; that I did not ask him for an immediate answer to these suggestions, but only threw them out for his consideration, &c., and if

at any time he thought I could, in any legitimate way, contribute to a peaceable solution, he had only to let me know.

He received my suggestions in the kindest manner, and, though he did not say so in so many words, I thought I could perceive by his manner that he would be glad to secure peace on any reasonable terms, and would feel grateful to our government for any effort which might lead to such a result.

I am, in common with the rest of the diplomatic corps here, daily expecting some proposition from Chili for peace, as she is now in a condition to make such proposal; and should it be made, however extravagant it might be, I have hopes that it would, through the influence of the representatives of friendly nations, both here and at Santiago, be in the end modified down to such reasonable limits that Peru could accept without too much humiliation.

But Peru is not in a condition now to *offer* terms, only to *receive* them; and, if Chili should not make any proffer of peace, I think the contest will continue for some time.

All the neutral nations (except possibly Ecuador, the Argentine Republic, and Brazil) have a common interest in putting an end to this war. None of them want to make any conquests or to gain territory here, but all seek commercial advantages only. And even England, whose people have been somewhat partial to Chili in this war, and to whom Chili may also feel a partiality, would, on commercial grounds, be quite as much interested in the commerce of Peru as in that of Chili, unless indeed Chili should conquer so large a part of Peru as to make her commerce of more importance than that of Peru, which, however, is not so at present.

I hold myself ready to take any step, and to go anywhere, in the interest of peace.

A few days, or, at most, a few weeks will probably determine whether any effectual steps can be taken in that direction.

JUNE 14.

I have just time to add that, at the instance of Mr. de Vorges, the French minister, a meeting of the diplomatic corps was held to-day, for consultation upon the present state of things, the result of which was that the dean of the corps (Mr. Pinto, envoy extraordinary and minister plenipotentiary of Salvador) was requested to see the supreme chief, and assure him that if Chili should make a proposition for peace, all were ready to afford him their good offices to that end.

But it is now rumored (as coming from the Chilian admiral in the Bay of Callao) that the popular feeling in Chili is so strong against Peru that the Chilian Government dare not propose terms of peace as they intended. I give this as a rumor only.

General Adams, minister to Bolivia, has just arrived here, and attended the conference with me.

I have, &c.,

L. P. CHRISTIANCY.

[Inclosure No. 1 in No. 177.—Translation.—From the newspaper "el 21 de Mayo," Chilian source.]

THE CAPTURE OF ARICA.

IQUIQUE, *June* 8.

Arica was attacked yesterday at daylight.

The third of the line opened fire upon the citadel, where the Peruvian forces were concentrated. The citadel was taken at the point of the bayonet; there were found 450 of the enemy killed and the remainder taken prisoners.

The fourth of the line commanded by its second chief, the gallant St. Martin, attacked the fortress called the Morro, which was likewise taken at the point of the bayonet, where were found killed Commanders Moore and Bolognese, Peruvian commanders of the place. At 7.30 a. m. the officers of the Manco-Capac, seeing that the forts were lost to them, sunk their vessel in 12 fathoms of water; they did the same with the steam-launches. It is believed all this can be saved.

The Peruvians blew up two of their forts with dynamite.

The enemy's loss is 700 killed, 100 wounded, and 600 prisoners. The rest of their forces could not escape, the retreat being closed by our cavalry.

The national flag waved over all the ports at 8.30 a. m.

[Inclosure No. 2 in No. 177.]

Neutral letter.

ARICA, *June* 7.

On the morning of the 5th the Chilians sent a flag of truce, intimating the surrender of the place, to which the commander-general answered that it was his intention, and that of his officers, to resist with all his might, and to fulfill their duty.

Much courtesy was displayed on both sides.

Then the artillery opened fire and continued doing so during the 5th and 6th. This last day the vessels of war took part in the combat, keeping at apparent and safe distance from the forts.

The neutral vessels, having refugees on board, retired some five miles.

This morning (7th) at break of day the Chilians attacked the forts on land, as well as those defending the port.

After a serious resistance the two eastern forts were taken, and a struggle took place to capture the Morro, which was finally accomplished at 7.30 a. m.

The Peruvians blew up the three forts of the port and sunk the Manco Capac.

The vessels did not enter into combat to-day; the captain and crew of the monitor took to their boats. They were all taken prisoners by the Itata, where Commander Logomarcino is also to be found.

The Cochrane received a shot on the 6th, which killed 26 men. The Covadonga received three shots.

[Inclosure No. 3 in No. 177.—Translation.]

GENERAL-IN-CHIEF OF THE FIRST ARMY OF THE SOUTH.

TARATA, *May* 29, 1880.

To the Secretary of War:

In fulfillment of a painful duty which cannot be avoided, I communicate to your excellency the result of our combat on the 25th instant with the Chilian army, having no intelligence up to this moment from the commandant generals of our first army of the south.

By order of the commander-in-chief I took command of the right flank of the allied army; the left flank was assigned to Colonel Eleodoro Camacho.

The artillery opened fire at 7.30 a. m. until 11 a. m., when that of the musketry began. The enemy's fire was directed mostly towards the left flank, for which reason the commander-in-chief sent to me for reinforcement, which order I immediately complied with, sending the Bolivian battalions, Alianza and Aroma, under my command. Soon after sending these the fire became general. The commander-in-chief asked for more force to guard the left flank, and without hesitating I sent battalion Second Provisional of Lima. The commander-in-chief will, I hope, justly appreciate the gallant behavior of this distinguished corps.

The reinforcement sent to the left flank deprived me completely of the reserve force.

And without any other force than that of the front line, we resisted the double attack of the enemy by the flank and rear, until our brave soldiers were obliged to retreat towards Tacna, in order to renew the combat there, owing to the immense number of the enemy.

Being persuaded that my plan had failed, I left Tacna after 5 p. m., retreating as slowly as was necessary to give vigor to our soldiers and be ready to fight again, in case of being pursued.

In the allied army there were troops of both republics, those of Bolivia following the road by San Francisco, while ours followed the road towards the place from where I write and am now engaged in its reorganization.

The unfortunate result of the combat of the 25th is owed merely to the excessive number of the enemy, and not to the bad quality of our men. It is so certain that our troops fought gallantly, that out of 12 battalions under my command, 6 commanding officers and one commander-general have been killed, whose names will be retained with pride in the history of our country.

Besides this serious loss, we have to lament that of many subordinate officers, not taking in account the large number of wounded, which list will be forwarded to your excellency as soon as the commanding generals send in their report to Colonel Velarde, chief of the staff.

The necessity of leaving forces in Arica, in order to defend it, disabled me from presenting more than 8,000 men against 20,000 of the enemy, and before that immense superiority of number the gallantry of our troops was as useless for success as the manly enthusiasm shown in those supreme moments by the heroic citizens of Tacna.

If the result of this combat has not met our hopes, it has again proved that our army is not deficient in enthusiasm and courage; my mind influenced by the sorrowful impression of the unexpected disaster, my confidence revives, considering how common amongst us magnanimous and grand deeds are done.

If this war be continued, as I hope it will be, it will assure us the final triumph, if we avail ourselves as we ought to of the merit and spirit of our troops, and of the teaching of bitter experience. Republics like Peru are neither annihilated nor subdued by a partial defeat, which should and ought to bring forth the ultimate victory over the enemy.

Be your excellency pleased to bring to the knowledge of his excellency the supreme chief, this brief report, assuring him at the same time the pain and grief caused to the Peruvian army by the death of General G. M. Perez, chief of staff of the allied army, and the mortal wound of Colonel Eleodoro Camacho, commander-in-chief of the Bolivian army.

God guard your excellency.

L. MONTERO.

No. 266.

Mr. Christiancy to Mr. Evarts.

No. 178.] LEGATION OF THE UNITED STATES,
Lima, Peru, June 19, 1880. (Received July 29.)

SIR: Referring to my dispatch No. 117, on the progress of the war and the prospects of peace, I have to say that no conflict of arms has since taken place, either by sea or land, so far as known here. But on the 17th instant notice was given by the Chilian admiral of the blockade of Chancay, some 18 miles north of Ancon, and that 48 hours only were given for neutral vessels to quit the port.

There was, however, an American vessel, the Spartan, Captain Crossley, in that port, who represented to me that he could not get on board the necessary ballast in that short time; and there was also an English vessel in a like situation. I therefore suggested to Captain Brown, of the Alaska, that it might be well for him to see the Chilian admiral on the subject, which he did yesterday and obtained three additional days' time for the purpose, for the benefit of all the neutral vessels in that port.

I may, I hope, properly add here that Captain Brown is very highly appreciated by the officers of all the neutral naval vessels here.

From all the information which has yet reached here though unofficial (a part of it comes, however, from * * , verbally reported by him to the officers of the last English mail steamer from the south), but generally believed here by the foreign legations, as well as by the public at large, the Chilian soldiery committed the most cruel excesses

at Arica, upon the capture of that town, killing and robbing indiscriminately all the people they met in the streets and houses of the place, and behaving more like a band of roving savages than like a regularly organized soldiery of a civilized nation, and though they, in a modified sense, respected our flag, so far as our consular agent was concerned, not taking the liberty to kill him, yet that they completely stripped him of his personal property, taking even his clothing.

Such are the reports, the truth of which, however, I cannot vouch for. The consular agent has not yet written me, or rather I have *received nothing* from him. Some allowance, doubtless, must be made for the license of the soldiery in a place taken by storm. But their conduct seems, so far as property was concerned, to have been the same as at the taking of Mollendo, when there was no resistance and no opposing military force.

For the question of peace, I refer you to my next dispatch No. 179.

I have, &c.,

I. P. CHRISTIANCY.

No. 267.

Mr. Christiancy to Mr. Evarts.

No. 179.] LEGATION OF THE UNITED STATES,
Lima, Peru, June 20, 1880. (Received July 29.)

SIR: Referring to my dispatch No. 177, upon the progress of the war and the question of peace, I have now to inform you that on the 14th instant (the day after the dean of the diplomatic corps and the French minister had called upon the supreme chief in the name of the corps, as stated at the close of my dispatch No. 177), there appeared in the Patria and in El Peruano the address or proclamation of the supreme chief to the nation, a copy of which I here inclose, marked, with a translation from the South Pacific Times.

On the 16th instant appeared in the Patria (official paper) the "Protocol of the preliminary bases of the federal union of Peru and Bolivia," a copy of which, with the translation, I here inclose. Also the "Supplementary protocol of the preliminary bases of the union of Peru and Bolivia," of which I inclose copy, with a translation.

The proclamation is substantially in accord with the answer given by the supreme chief in person to the dean of the diplomatic corps and the French minister the day before. And those best acquainted with the supreme chief, and his personal characteristics, seem generally to believe that he spoke his real sentiments in that proclamation, and that he relies much for his future success upon the arrangement for a federal union with Bolivia, which, though not to take effect until December, 1880, it is quite generally believed will prevent further danger from the intrigues of Chili, to detach Bolivia from the Peruvian alliance, and to aid in partitioning the southern portion of Peru; and it is the general opinion among the best informed Peruvians and foreigners here that such federal union, if carried into effect, will be highly and permanently beneficial to both Peru and Bolivia, though, in the mean time, revolutions may take place in Peru, and especially in Bolivia, which may prevent the union, but it is believed the general public opinion in Bolivia and Peru is and will remain in favor of the union, and such is my impression from the best information I can obtain.

The effect of the publication of these protocols has been to raise the market value of the paper currency here, which had fallen to 5 pence per sol, in exchange on London, and which is now freely granted by English houses here at the rate of 6¼ pence per sol.

On the other hand it is easy to see that the bold and defiant tone of the proclamation may be susceptible of an interpretation consistent with and even favorable to peace. The supreme chief may have realized the fact that he would not be likely to obtain reasonable terms of peace by showing any evidence of despondency or want of confidence in the ability of Peru to retrieve the calamities of the war, and to snatch victory from defeat. He may have deliberately concluded that the best mode of procuring fair terms of peace from Chili was to show a bold and defiant front.

If the first interpretation of the intent of his proclamation be correct, I see no prospect of peace for the next year at least; if the second be the correct interpretation, then much, if not all, will depend upon the question whether Chili will now offer terms of peace. She is now in a position to do so without national humiliation, while Peru is not; and I think the war will continue indefinitely, or until Peru should be effectually conquered, before *she* will beg for a peace under defeat.

But if Chili should now make an offer of peace, though her terms might, at first, be extravagant, if negotiations could once be opened, I have still strong hopes that by counter-propositions and further negotiations with the influence of the diplomatic corps here and at Santiago, the terms could be so modified that Peru might accept them; but this is matter of opinion only, in which I may be mistaken.

In the mean time, I, in common with the diplomatic corps here, am still expecting some proposition of peace from Chili. If Chili makes no such offer, I have no definite opinion when or how the war is likely to end. I shall carefully bear in mind your instructions in reference to the means and the manner of bringing about a peace.

I have, &c.

I. P. CHRISTIANCY.

[Inclosure 1 in No. 179.]

[From The South Pacific Times, June 15, 1880.]

The Supreme Chief to the Nation:

FELLOW CITIZENS: Our patriotism has just received a rude shock. The unexpected check sustained by our first army of the south, brought about by a series of errors, and which can only be explained by the impatience of our army to meet the enemy, has given to the latter, at great cost, the useless occupation of Tacna and Arica, after a most heroic and memorable resistance.

A people bold and firm, who feel that they deserve to triumph, receive with pride, as does Peru, those checks, which only dishearten the weak.

It is well! By the pain with which we count our victims will be forged the sword of justice with which we shall repel our invaders. The blood shed claims vengeance, and shall have it, ample and complete. The example of our martyrs makes soldiers spring up by thousands, and there is not in Peru one who does not feel proud of them. Chili, conqueror, will find its conquests very dear. Peru to-day is to be feared a hundred times more by Chili than at the commencement of the campaign, and recovers in misfortune the strength forgotten in the days of confidence and tranquillity.

Chili does not understand, cannot understand, what to a generous and high-spirited people means hearths trampled under foot, the blood of its sons shed, and the majesty of the nation outraged by those who should tremble at its anger; and judging us by themselves, they have dreamt that they could obtain the peace they covet, in order not to succumb to our inevitable and legitimate triumph.

Yesterday Chili dreamt also in our intestine struggles, but Peru and Bolivia have to-day only one voice, one thought. Chili sought to destroy the alliance, and all that she has reaped is the making of two peoples one only. She attempts to hem us in by a blockade, but will only hasten the solution of our internal questions, and by so doing enable us to recover that strength which to-morrow she will look upon affrighted.

Chili is building up day by day with her ephemeral successes her own ruin, and by each of her costly blows wastes the strength which might be able to resist us at a future time. Our resources are untouched, but theirs are coming to an end. They are living on what they borrow, to their own ruin and to the undeceiving of the deluded persons who discount their barren triumphs. They have played in Tacna a stroke of fortune which is utterly useless to them, which prostrates them and makes us arise more vigorous and determined than before.

Let them burn; let them efface our undefended towns on the coast; let them lay waste our fields, if they can. We are determined to all, save the renouncing the vindication of our right, the ceding one inch of our soil, the asking from us, to save themselves a peace, which they will never be able to force upon us.

Fellow countrymen, you have confided to me the recovery of our national rights trampled under foot without even a pretext. My task, therefore, is to seek the recovery of our rights without rest, seek it at any cost, seek it until it be obtained. Behind me stand six million men. And when I fall, fortune, which may deny to me the being present at the triumph of my country, will not deny me, I trust, the right to die in its defense, secure of victory.

Justice is with us. Victory has never been denied to those who, fighting for their home and country, become worthy of them by their determination and self-sacrifice.

Lima, June 13, 1880.

N. DE PIÉROLA.

[Inclosure 2 in No. 179.—Translation.]

Protocol of the preliminary bases of the federal union of Peru and Bolivia.

In Lima, capital of the Republic of Peru, on the 11th day of June, in the year 1880, the undersigned plenipotentiaries of Peru and Bolivia, having met in the hall of public audience of the secretary of foreign relations and worship, and after having exhibited to one another their respective powers and found the same to be sufficient and in due form to proceed to stipulate and agree upon that which may the better tend toward the object of drawing closer the bonds of fraternity which nature and historical events have created between the two republics; of consolidating their domestic peace and providing for their security abroad; of assuring the general welfare of their inhabitants, and extending the blessings of independence and liberty to the present and future generations; of promoting, likewise, that prosperity and greatness to which, by a common destiny, the rich and beautiful regions embraced in their vast territories are called, in conformity to the aspirations generally manifested by public opinion in the two countries, respecting the necessities of adopting a new political organization which, modifying their present internal constitution and uniting at the same time their power and resources in one sole nationality, may fully and efficiently bring about these ends; agreed in the name of their governments, and in order that they may previously be submitted to the approval of the people of Peru and of Bolivia, upon the following bases of union of the two countries:

I. Peru and Bolivia shall become a single nation called the *Peru-Bolivian United States*. This union is based upon American public law, and is formed to confirm the independence, the inviolability, the internal tranquillity, and external security of the states embraced therein, and to promote their development and prosperity.

II. The present departments of each of the two republics, saving such modifications as may be sanctioned by the constitutional assembly, shall be formed into independent states, having their own institutions and laws, not to conflict, however, with the constitution or laws of the union. Nevertheless, the departments of Tacna and of Oruro, of Potosi and Tarapaca shall form the states denominated *Tacna of Oruro* and *Potosi of Tarapaca*. The regions of the "Chaco" and of the "Beni" in Bolivia, and that called the "Montania" in Peru, as well as other territories which may exist in analogous conditions, shall form federal districts, subject to special legislation, and to the direct control of the government of the union.

III. The states shall constitute their sovereignty according to the principles of the republican representative system, to the declarations and guarantees of the national constitution, and to those laws of the union which assume to them the administration of justice, the municipal organization, primary education, and material progress, all to be supported out of their own resources.

IV. The union of the States is indissoluble, consequently no state can separate itself therefrom.

V. The states are equal in rights. That of citizenship is common to them all.

VI. No new state can be formed within the territory of another or others, nor can one be formed of two or more, without the vote of the legislatures of each of the states interested, and the sanction of the national Congress, given in two sessions, with entirely renewed personality of voters.

VII. The states cannot make treaties, one with another, save for the furthering of the administration of justice, of ecomonic interests or works of common utility, with the consent of the national Congress. They do not enjoy the right of asylum with respect to one another.

VIII. The states do not exercise the power delegated to the nation. Consequently they cannot represent it before other powers. Nor can they make laws concerning foreign commerce or navigation, nor establish custom-houses; nor coin money; nor charter banks of issue without the permission of the general government; nor alter the codes which Congress may sanction for the union; nor make laws regarding citizenship or naturalization, nor fit out ships of war or raise armies, save in case of invasion or imminent danger from abroad, giving in such case immediate notice to the national government.

IX. No state can declare or make war on another. Their complaints shall be submitted to the judgment and decision of the supreme federal court. Any act of hostility shall be deemed an act of civil war, which it is the duty of the national government to quell and suppress in the exercise of its attributes.

X. The governors of the states are the natural agents of the national government, to exact compliance with the constitution and laws of the union.

XI. It is obligatory upon the states to furnish the quota of troops corresponding to them, to form the national army in time of peace or war.

XII. The national government shall be vested in the legislative, executive, and judicial powers of the union.

XIII. A Congress, composed of two chambers, one of National Deputies, and the other of state senators, shall exercise the national legislative authority.

XIV. The Chamber of Deputies shall be composed of representatives elected directly by the citizens of the states, which shall be considered, for this purpose, as electorial districts, the number of such representatives being determined in proportion to the population. Their term of office shall be four years.

XV. The senate shall be composed of two senators from each state, elected by their several legislatures. Each senator shall have a vote, and their term of office shall be six years. The functions of the senate shall be permanent.

XVI. The national Congress shall meet, ordinarily, each year. Nevertheless, it may be convoked, extraordinarily, by the executive, and for determined objects.

XVII. The national executive authority shall be vested in a citizen, with the title of President of the Peru-Bolivian United States, assisted by ministers of state, and in case of the absence or impediment of the former, by a Vice-President who shall be the president of the Senate, and who shall have no vote save in case of a tie. The term of office for the President shall be for five years, and he shall not be eligible for reelection until after the lapse of a like period. The ministry shall be formed of citizens of the two united republics, at least during two presidential terms, consulting, as far as may be possible, equality of representation.

XVIII. The President of the union shall be elected by direct voting by the citizens of the States, according to their several laws; but each one shall vote for two citizens, one of whom shall be of the state and the other not. Should no citizen obtain an absolute majority of votes, the federal Congress shall choose from among the three who may have obtained the rélative majority.

XIX. The judicial authority of the union shall be exercised by a supreme court of justice and by such special tribunals as Congress may establish for the nation.

XX. The duties and their limitations of the high powers of the union shall be fixed by the national constitution, according to the principles of this system of government, consecrated by the practice of those nations who have already adopted it.

XXI. The constitutional assembly shall designate the place within the territory which is to be the capital of the union, and which shall be under the immediate authority of the President of the United States.

XXII. The national government shall provide for the expenses of the union from the funds in the treasury, which shall be formed by the product of import and export duties, of the sale or rental of government lands, of the natural products of the soil, of the post-office department, of general indirect tax, and of such other resources as may be voted by the federal Congress. The tax upon incomes and local contributions belong to the treasuries of the States or municipalities.

XXIII. The national government shall not intervene in the territory of the States, except to cause the constitution and federal laws to be respected, and at the request

of their constituted authorities, to sustain or re-establish them, should they be threatened by invasion from another State, or deposed by sedition.

XXIV. Within the republic the circulation of merchandise produced or manufactured in the country, as well as that of the goods or merchandise which may have been dispatched through the custom-houses of the union, shall be free of duty. In this exemption are not included municipal taxes, the creation of which, however, must be submitted to the legislature of the State.

XXV. The vehicles, vessels, or animals carrying the articles mentioned in the preceding section, tools and materials for the construction of roads, river or telegraphic communication between the States, as well as the herds passing from the territory of one state to another, enjoy the exemption.

XXVI. The representation abroad of the union belongs exclusively to the federal executive, who will invite friendly nations to a revision of such treaties as they respectively may have celebrated with Peru and with Bolivia, in order to renew and unify the same.

XXVII. Peru and Bolivia owe nothing whatever to one another for account of the expenses which the war of both countries against Chili may have caused them up to the date of the union.

In witness whereof the undersigned plenipotentiaries, authorized *ad hoc* by their respective governments, signed and sealed the present protocol the day and date above written.

(In duplicate.)

PEDRO JOSÉ CALDERON,
Secretary of Foreign Affairs and Worship.
[L. S.]

Authorized *ad hoc.*

MELCHOR TERRAZAS,
Minister Plenipotentiary of Bolivia.
[L. S.]

Authorized *ad hoc.*
A true copy.

CALDERON.

[Inclosure 3 in No. 179.]

Protocol complementary of the preliminary bases of the federal union of Peru and Bolivia.

In Lima, capital of the Republic of Peru, the 11th day of June, in the year 1880, the undersigned plenipotentiaries having met in the hall of public audience of the department of foreign affairs and worship, with the object of completing the bases of the federal union of Peru and Bolivia, which they have stipulated and agreed upon under this same date, with other points of accessory or transient character, in order thus to obviate the obstacles which might arise to the more prompt and effectual realization of an act so important to both republics, agree upon the following:

I. The preliminary bases of union shall be submitted to the acceptance of the people of Peru and Bolivia, without which they shall be of no effect.

II. This acceptance, expressed in such form as circumstances may permit, shall moreover contain the declaration whether the establishing of the federal system shall be at once proceeded with or not.

III. In the affirmative event, and until the constitution and federal institutions by the constitutional assembly, which shall meet in the city of Arequipa on the 9th of December, 1881 (unless events arising from the war shall compel an anticipation or further delay, which shall be determined by a vote of the provisional Senate), there shall be a provisional federal system established upon the following bases:

First. The federal government shall be formed of the supreme chief of the two nations, one being the president and the other the vice-president of the union.

A popular election of the said magistrates being impossible in the initial condition of the union, and in view of the motives of availability, the first named office is assigned to the supreme chief of Peru, and the second to that of Bolivia.

Second. A provisional senate, composed of ten representatives designated by Peru and an equal number by Bolivia, shall undertake the drawing up of the constitution and organic laws of the union, especially the electoral law for deputies to the constitutional assembly, and shall act, likewise, as a consulting body for the central government.

Third. From this moment the custom-houses between Peru and Bolivia are abolished, and the political and economic union of both republics fully established.

Fourth. The provisional senate shall prepare drafts of federal laws upon post-offices and telegraphs, upon custom-houses, upon money and banking institutions, upon the

railroads of the union, upon the appropriations for the same, upon literary and artistic copyright, obligatory military service, and other matters of general interest.

Fifth. The federal constitution shall be in force provisionally during five years from its promulgation, within which time such amendments and reforms as experience may suggest shall be made. The last legislature of this period of five years shall put it definitely in force, and no alterations can thereafter be made in it, save by virtue of the provisions established therein for the purpose.

Sixth. The States shall be governed and administered provisionally until the federal and their own individual constitution be sanctioned by governors appointed by the supreme chiefs of Peru and Bolivia, respectively, for those departments which are to become States in either country, and by common consent for those of Tacna de Oruro and Potosi de Tarapaca.

These governors shall be subject to the laws at present in force in their respective departments, and to the instructions issued by the provisional government of the union.

In the States of Tacna de Oruro, and Potosi de Tarapaca the government of the union, with the vote of the senate, will decide as may be necessary such conflicting cases as may arise from the different legislations of the two countries to which the departments forming the said States originally belonged.

The removal and substitution of governors once appointed shall be made by the provisional senate.

Seventh. A mixed commission shall undertake the fixing of the public debt of Peru and Bolivia in its different forms.

Eighth. Another commission, likewise mixed, shall study and suggest the most proper territorial demarkation of the States, that the same may be submitted for the approbation of Congress within the period of provincial constitutionality.

Ninth. The coat of arms of the Peru-Bolivian United States shall be of Germanic form; it shall have in the center a sun of the color of gold, surrounded by stars of the same color, upon a purple ground, and in the upper part a condor resting upon and seizing it with his talons.

The war flag of the said States shall be of rectangular form, the contiguous sides of which shall be in the proportion of one to two-thirds, and it shall bear in the center the same sun and the same stars as the shield upon a similar ground.

Tenth. In case of vacancy of the office of the provisional president or vice-president, it shall be filled by election by the senate, to be made—each member thereof voting for two citizens—one Peruvian and one Bolivian.

The models of the coat of arms and flags are annexed to this protocol.

In witness whereof the undersigned plenipotentiaries signed and sealed the same on the day and date above set forth.

(In duplicate.)

PEDRO JOSÉ CALDERON.
MELCHOR TERRAZAS.

No. 268.

Mr. Hay to Mr. Christiancy.

No. 90.] DEPARTMENT OF STATE,
Washington, June 30, 1880.

SIR: A dispatch (No. 149) has been received from Mr. Osborn, minister at Santiago, by which it appears that serious charges have been brought by the Chilian Government against Mr. Merriam, consul of the United States, at Iquique. The purport of the charges is that Mr. Merriam has assisted the Peruvian Government in keeping up communication with its southern army, contrary to the obligations of a neutral and what must be expected from the representative of a neutral government. You will investigate these statements, which, as I understand, have been made to you in detail by Mr. Osborn already, and in case you are convinced of their truth you will remove Mr. Merriam, placing the consulate in the hands of the vice-consul, if a proper person; otherwise in the charge of some United States citizen residing at Iquique.

I am, &c.,

JOHN HAY,
Acting Secretary.

No. 269.

Mr. Christiancy to Mr. Evarts.

No. 183.] LEGATION OF THE UNITED STATES,
Lima, Peru, July 5, 1880. (Received August 14.)

SIR: Referring to my No. 179, on the progress of the war and the question of peace, I have the honor to inform you that no further operations have taken place on land. But we have some more reliable information of the battle of Tacna, and some which I think reliable of the taking of Arica and of the conduct of the Chilian soldiery at Tacna and Arica after all the fighting had ceased. Most of this information upon which I rely was given me by Mr. ———, who was at Tacna at the time of the battle and the next day, and went to Arica a few days after, and who came up on our frigate, Alaska, from Pisco here on my return from Mollendo. He says that the night before the battle of Tacna, Montero, the Peruvian commander, insisted upon making, and did, with part of his forces, undertake to make, a night attack upon the Chilian army; but that, in the darkness and confusion, they mistook their way, wandered about all night, and seen (but not attacked) by the Chilians, were only able to get back to their own lines at daylight, a few minutes before the battle of the 26th opened, and were compelled to go into battle hungry and thirsty and overcome with fatigue; that they nevertheless fought well, as did the whole of the allied force, until the Chilians brought in their reserves of three regiments, when the allies (who had no reserve) came in, when they finally fled; that the allied force did not exceed 7,000 or 7,500 men in the battle, and the Chilian force did not exceed 8,000, but the latter were much better supplied with artillery and Gatlings and that the loss on each side in killed and wounded was very nearly equal, but that the Chilian soldiery killed most of the wounded found on the field, which is the true reason why, according to all the accounts even from Chilian sources, the number reported killed of the allied forces was much or more than the number reported wounded; that after the battle all the allied officers found dead upon the field were stripped, robbed, and left naked, and all the privates stripped of every vestige of clothing of any value; that the allied army is completely broken up, Montero retreating with less than 1,000 men in the ranks, and Campero with still less.

He also says (contrary to the first reports received here) that there was but one day's fighting, the 26th, which was about 6 or 7 miles above Tacna.

It is right that I should say here that though Mr. Nugent, our consular agent at Arica, has not written me, Mr. Merriam, our consul at Iquique, sends me an extract from a letter written by Mr. Nugent to him, dated June 17, in which Mr. Nugent says:

> I was on the field immediately after the fight. * * * The number of killed on both sides is about 3,000, rather more of the Chilian than of the allied forces. The wounded from the two armies between 3,500 and 4,000.

He was not at Arica when it was taken, but went back there some days after, and he says:

> I must say that the benavior of the Chilians, both in Tacna and Arica, is most disgraceful. In Tacna the greater part of the houses have been robbed and many of them destroyed. All the "*chacras*" (small farms, gardens, &c.) have been destroyed. Murders are committed every day. In fact, nobody is safe here now. In Arica they murdered the helpless and wounded, and gave very little quarter. In our house, the English consulate, they found a great many refugees, and took them out into the

plaza and had them shot, and then sacked the house. The greater part of the town has been burned and sacked. The house in which I had my consulate was sacked, and I have been told that the flag was torn down and trampled upon, and during the night they set fire to it and burned it to the ground. I wish you (our consul at Iquique) to advise me as to this matter, and to let me know how to act. As I was not at Arica during the fight, I cannot tell whether it is true as regards the flag, but the person in charge of the house represents it to be true. As the house belongs to my family I should like to know whether I have any right to claim or not. If so, please let me know how to make it.

Now, in reference to this letter of Nugent, I have to say that I learn from Captain Brown, of the Alaska, that when he was at Arica some months ago Nugent kept his consular agency in the same house now spoken of by Nugent as the British consulate, and not in the house which was burned, which was the house belonging to his grandmother, Mrs. McLean, the best house on the west coast, over which he seems to have placed the American flag, but he may, prior to this affair, have removed his consular agency to this house, with the archives, and, in that event, I think the Chilians committed an outrage upon our government, but I must inquire into the facts before I can give him any advice. I do not know whether the American flag was also flying over the house where he formerly kept his office as consular agent, and from which the refugees were taken out and shot upon the plaza. If it turns out that the placing of the American flag upon the McLean house was but a ruse to preserve that house, and he really had not there established his consular agency, I shall advise him that, as a British subject, he must look for protection and advice to the representatives of his own government.

Now, as to the conduct of the Chilians at Tacna, I must say that the French consular agent represents it in a somewhat less flagrant form. He says that after the taking of Tacna there was but little of abuse or outrage in the city proper; some few houses plundered; two Italians and eight Chinamen killed, and in the suburbs and neighboring *chacras* general robbery and plunder.

As to Arica, after the town and forts had been taken and all resistance had ceased, the statements of the French consular agent to the outrages committed by the Chilian soldiery are more distinct and positive than those of Mr. Nugent. He says that after Arica had been taken and all resistance had ceased many inhabitants of Arica had taken refuge in the building where our consular agent had kept his office (as stated by Captain Brown, of the Alaska), and among them some Peruvian soldiers, who had changed their uniform for citizens' dress, had sought refuge in that house (whether the American flag was flying then I do not know), and that the Chilian soldiery, apparently under the command of their officers, came to the house and took indiscriminately 59 men who were there—took them on to the public plaza and there deliberately shot them all.

This, if true, is not war, but deliberate wholesale murder, unprovoked by anything yet done by the allied forces, and in the cause of civilization and humanity, calls for an indignant protest from all civilized nations.

The blockade of Callao and Ancon. As to these, nothing of importance has taken place since my last, until about 4 o'clock p. m. of the 3d July, when the Loa, an armed transport of the Chilian blockading fleet (an iron steamer formerly belonging to the English Pacific Steam Navigation Company, but sold to Chili about the beginning of the war), was blown up and sunk by a Peruvian torpedo by a very clever *ruse de guerre* of the Peruvians.

It seems (for the special details I have heard are unreliable) that

the Peruvians had prepared a small launch on the night of the 2d instant with 300 pounds of dynamite in the bottom, and covered this over with a full loading of poultry, ducks, potatoes, and other vegetables, some of which were, by concealed cords, attached to wires connected with the dynamite; that the Loa had been north, probably to Ancon, and was returning to join the fleet; that the Peruvians had, by a row-boat, towed this launch far out towards the Chilian fleet, and as the Loa approached from the north and made towards the launch to capture it, the Peruvian row-boat abandoned the launch and made for the shore, which they reached, a boat sent out by the Loa capturing the launch and taking it up alongside of the Loa as a prize; but while close to the stern of the Loa and being unloaded the explosion took place, completely blowing off the stern of the Loa, which sunk in four minutes with 140 men, some 60 alone of the crew escaping.

No proposition for peace has yet been received from Chili, and the preparations by the Peruvian Government and the tone of its decrees (which I will endeavor to send you by the next mail) show clearly that Peru is not disposed to offer terms, and that the war may be indefinitely continued.

The tone of the Chilian press and what is said by Chilian officers tend to show that the popular voice in Chili is for an expedition to Lima, to dictate terms of peace in the Peruvian capital.

I have, &c.,

I. P. CHRISTIANCY.

No. 270.

Mr. Christiancy to Mr. Evarts.

No. 184.] LEGATION OF THE UNITED STATES,
Lima, Peru, July 8, 1880. (Received August 13, 1880.)

SIR: As relating to the question of the continuance of the war or the probability of peace, I send you the following extract from a private unofficial letter of Mr. Osborn, our minister to Chili, dated Santiago, June 18, viz:

> I may add that there is no prospect now of a proposition being made by Chili to terminate the war, as suggested by me heretofore. Public opinion clearly demands a prosecution of the war until Peru shall ask for peace, or until Lima shall fall. The cabinet has been reorganized in conformity with this view.

Of the wisdom of this resolution on the part of Chili I have nothing to say, though it seems to me to be the result of popular passion rather than the cool judgment of her best statesmen, as she could easily hold all she has taken from Peru, and all she expects to hold, without further bloodshed or the hazard of further conflict.

But I am strongly of the opinion that Peru will, under these circumstances, offer no terms of peace until or unless her army near Lima shall be overwhelmed and Lima shall be captured.

Peru has now in the vicinity of Lima and Callao an army, as near as I can ascertain, of from 22,000 to 24,000 men, most of whom are well drilled, and all the infantry well armed with Remington rifles.

In addition to these every able-bodied man in the province of Lima over 16 and under 60 is called out and being organized. Most of these will not be armed with Remingtons, but such arms as may be accessible, each regiment having a particular kind of guns and ammunition.

They have also between 40 and 50 pieces of artillery, but mostly small, from three to five pounders, breech-loaders and rifled (a few smooth-bore, and some ten Krupp guns). What they lack most, in my judgment, is a larger class of smoth-bore field guns (such as the old Napoleon guns) for grape and canister.

Very few of the Peruvians, either officers or men, have any experience of actual warfare, while Chili will probably bring 6,000 to 7,000 from the south of Peru who have had the experience of one campaign.

I do not think Chili can well bring here an army exceeding 18,000 to 20,000 men; and to meet these I think Peru will, by the time they can reach here, have from 25,000 to 30,000.

I do not think the Chilian fleet can reduce the defenses of Callao, and therefore the Chilians will have to land at or near Ancon, 20 miles north of Callao, or at Chorillos, which is a bad place for landing, or at Chira, 3 or 4 miles south, or at Chilca, or the valley of Lurin, to the south.

Making, therefore, due allowance for the facts that the Chilians are probably better supplied with artillery and Gatlings; that some of them have had experience of actual warfare, and that coming from a temperate climate they are somewhat more vigorous race than the Peruvians, the chances of the conflict here may be said to be pretty nearly equally balanced.

I have, &c.,

I. P. CHRISTIANCY.

P. S.—On reflection, I am strongly inclined to the opinion that the Chilians, instead of coming in the first instance to Lima, will first direct their efforts to the taking of Mollendo, Arequipa, and Puno, and the railroad connecting these places, press on to La Paz, Bolivia, and contrive to sever the alliance between Bolivia and Peru, and after this, if necessary, organize their expedition to Lima. My only reason for this opinion is that it seems to me manifestly better for the interest of Chili to take this course than to come directly to Lima.

As ever, &c.,

I. P. CHRISTIANCY.

No. 271.

Mr. Christiancy to Mr. Evarts.

No. 185.] LEGATION OF THE UNITED STATES,
Lima, Peru, July 9, 1880. (Received August 13.)

SIR: I have the honor to inclose to you the following:

1st. The proclamation and decree of the Supreme Chief of Peru, dated June 27.

2d. The official note of the secretary of foreign relations and worship to the archbishop of Lima in reference to church property, &c.

3d. The reply of the archbishop thereto.

4th. The decree of the archbishop in reference to contributions to be made by the church to the government.

5th. The note of the secretary of government to the Secretary of War in reference to military passports, together with translations of each of above.

In reference to the sixth article of the decree of June 27, I have to say that I have advised American citizens here that they cannot organize and act as an urban guard upon the *principle* expressed in that article without a breach of neutrality, as they seem there to be invited to take the place of the police of Lima, *for the purpose* of enabling that *police to go into the active army of Peru.*

I, last night, had a conference with the supreme chief upon this point, having previously consulted with some of the foreign ministers, and I explained to him the difficulty growing out of the wording of article 6 alluded to, and suggested the repeal of the same, and its replacement by an article embodying the following ideas:

Citizens of neutral nations resident in Lima, for the purpose of protecting themselves, their families and property, and to that end, for preserving the peace and good order of the city against domestic violence and disorder during the exigencies of the present war, are invited to organize themselves into bodies of urban guards, they being hereby authorized to elect their chief and subordinate officers, so as to act as far as possible in concert, reporting such elections to the mayor of the city. And such officers so chosen may, for the purposes aforesaid, arrest any person committing violence or theft, or in any manner disturbing the peace or good order of the city, delivering the persons so arrested to the proper civil municipal officers of the city, with a written statement of the cause of the arrest; and the proper civil officers of said city shall have power to try the offences charged against the persons so arrested.

The supreme chief accorded fully to the ideas above expressed, and disclaimed any other meaning or intention of the sixth article of his decree, and gave me to understand that either that article would be so modified or the municipal authorities would be authorized and requested to extend the invitation on the principles explained by me.

There is a strong desire among neutrals here to organize for self-protection on the principles I have above expressed, and I think all the foreign ministers will agree in it.

Referring now to the seventh article of the same decree, I will say that a serious question may arise whether that article does not violate the spirit of the second article of our treaty with Peru. But on consultation with the supreme chief he assures me that if I will give him a list of the names of American citizens wishing to leave the country he will at once cause the proper military passports to be issued; and so long as he does this I do not think it necessary to stand upon any mere punctilios.

I will now only further remark that if the decree of the archbishop be faithfully carried into effect (which I doubt) it will place in the hands of the government many millions of dollars—I should say not less than $10,000,000, as the wealth of Peru is now mainly found in its churches. But I doubt if the government will realize from this source one-fifth of this amount.

On consultation with the foreign ministers here, I think we shall each grant to our respective citizens here a certificate of citizenship, to be placed upon the doors of their houses, certifying also that they are authorized to use the flag, and that the commanders of the Chilian forces, if they appear before Lima, will be informed of this and requested to respect the flag and the houses over which it is raised.

I shall also open the legation to all who may choose to come to it for refuge in case of danger.

With these precautions, I have no fear, so long as the Chilian soldiery shall remain under the control of their officers; but if in the midst of conflict in the streets or the sacking of the city the soldiery should escape the control of their officers nothing would be sacred, and I may be doomed to destruction as well as others. But I trust to the moral

force of our flag and do not permit myself to doubt the efficiency of its protection.

I am, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 185.]

[South Pacific Times, July 5, 1880.]

THE GOVERNMENT.

PROCLAMATION.

His excellency the Supreme Chief promulgated yesterday the following important proclamation:

[Translation.]

NICOLÁS DE PIÉROLA, *Supreme Chief of the Republic and Protector of the Native Race.*

Considering:

That Lima having more than sufficient means of defense against any attempt of attack on the part of the enemy, and it being necessary to place the city in a state to effect this object in order to allow the government to employ the army in the more active pursuit of the war,

I decree:

ARTICLE 1. The city and province of Lima are declared to be on a defensive military footing.

2. The Mobile and Sedentary Reserve force of the province of Lima are called out for active service; consequently all Peruvians residing in the province of not more than 60 years of age and not less than 16, without distinction as to class or employment, will present themselves to the proper authority within15 days from this date.

3. Those who belong to the Mobile and Sedentary Reserve will cease daily their occupations from 10 a. m. until 2 p. m., and it will be their duty to present themselves in uniform, at the places which their respective chiefs may appoint, in order to dedicate 2 hours to military exercises. In consequence the workshops and offices and commercial traffic will be closed from 10 a. m. until 2 p. m.

4. The only persons exempt from military exercises are the ecclesiastics, doctors of medicine, apothecaries, medical assistants, and others employed in the service of the hospitals, civil and military; also all employés in the public service belonging to the departments of war and government, the prefecture of the department, and the subprefecture of the province. Those who are physically incapable of taking up arms will be exempted afterwards, according to the decision of the tribunal of qualification which will be established for that purpose.

5. Those who do not present themselves within the time prescribed, or refuse to comply with the duties to which they are called, will be sent immediately to the army for active service.

6. Foreigners, residents in the province of Lima, are invited to organize and constitute themselves as an urban guard, in order to take charge of property and preserve order whilst the citizens are employed in the military service. The urban guard will choose and propose the persons who are to command them.

7. No inhabitant of the capital will be allowed to leave it without a proper passport from the military authority, with the exception of the purveyors and carriers of provisions, registered as such and provided with a ticket to that effect.

8. All persons in possession of arms must present them to the prefecture within 15 days, and in exchange for them will receive a document accrediting their delivery, in order that they may recover them or their value as soon as the present state of things may cease. Those who contravene this order or do not denounce those who have arms in their possession will be considered as traitors to the Republic and liable to due punishment.

9. The defensive forces of Lima which do not belong to the active army or to the Mobile Reserve will wear as uniform a blue tunic, girded with a leather shoulder-belt, and cartridge-box; cap to be of blue cloth, with a straight peak, with the number of the battalion in yellow metal. The uniform of the officers will be the same, with the difference that they are to have on their tunics and caps white stripes and the number

of their battalion in white metal. The badges of the classes will be of red cloth, on the shoulders and cuffs; the sword with a leather waist-band. The officers and men belonging to the artillery will wear red stripes. The distinctive marks for officers are to be white. All to be according to the patterns which will be supplied by the general staff of this force.

The secretaries of war and government are charged with the carrying out of this decree and the publishing of it by proclamation, and its circulation.

Given in the government house of Lima, on the 27th day of June, 1880.

NICOLAS DE PIÉROLA.

MIGUEL IGLESIAS,
Secretary of War.
NEMESIO ORBEGOSO,
Secretary of Government.

[Inclosure 2 in No. 185.]

PASSPORTS.

We translate from La Patria the following note, addressed by the secretary of government to the secretary of war, dated 30th ultimo, relating to passports:

Mr. SECRETARY OF STATE FOR THE WAR DEPARTMENT:

Under this date I have addressed the following note to the prefect of the department:

For the due carrying out of the order comprised in the proclamation published on the 28th instant, prohibiting any inhabitant of this province to leave it without the requisite passport, duly issued by the military authorities, you will proceed to give the necessary orders to the managers of the Transandine and Chancay Railways so that they may not allow any passenger to leave the province of Lima unless he present a passport issued by the secretary of war, with the signature or rubric of the Supreme Chief. You will also direct the governors and commissaries of police of this province to see that the before-mentioned proclamation be strictly complied with; and you have further to command the subprefects, governors, and police commissaries of the other provinces of the department that they observe the same regulations with passengers who may arrive from this department or province at the places of their jurisdiction without this requisite, with exception of the purveyors or carriers of provisions who can produce their tickets, making known at the same time to the last-mentioned functionaries and to the managers of the railways that those persons who should not present such authorization are to be compelled to return to this capital under proper custody, and to be delivered up to the prefecture.

For the due observance of these regulations the province of Callao is considered as one with that of Lima.

All which I have the pleasure to transcribe to your honor for your guidance as to the regulations which you may consider necessary to communicate to the military commanders in this department.

May God keep your honor.

NEMESIO ORBEGOSO.

No. 272.

Mr. Evarts to Mr. Christiancy.

No. 93.] DEPARTMENT OF STATE,
Washington, July 30, 1880.

SIR: Having regard to the contents of a dispatch (No. 148) from Mr. Osborn, minister of the United States at Santiago, wherein he inclosed a copy of a letter of May 13, last, addressed to you, I telegraphed you yesterday—

Press upon Peruvian Government our desire to aid in restoring peace on honorable terms, between nations to which we are sincerely and equally friendly. A like instruction is sent to-day to Santiago.

In answer to Mr. Osborn's No. 148, above referred to, I have approved the tenor of that minister's letter to you, suggesting a method by which the Government of the United States might make its good offices available in mediation between the powers now at war on the Pacific coast.

I am, &c.,

WM. M. EVARTS.

No. 273.

Mr. Christiancy to Mr. Evarts.

[Confidential.]

No. 190.] LEGATION OF THE UNITED STATES,
Lima, Peru, August 14, 1880. (Received September 17.)

SIR: Owing to the stringent police regulations adopted by the Peruvian Government (and I am disposed to think properly adopted) I have been constantly employed in the protection of American citizens, whenever I have been able to work at all. I have been for some days so out of health as to be unable to write. I dictate this to my clerk.

The pressure of business in the protection of American citizens is now nearly passed.

And bearing in mind your instructions to avail myself of every opportunity to bring about a peace between Chili, Peru, and Bolivia, and having received intelligence upon which, I think, I have good reasons to rely, that all three of the belligerent nations are anxious for peace, notwithstanding their public professions to the contrary, I have determined to leave Lima for Santiago, Chili, with a view of opening the way to negotiations to that end; and I expect to leave to-morrow on the United States steamer Wachusett for Valparaiso, and expect to be absent between three and four weeks. It will be a special effort of mine to avoid all publicity in this movement, until such measures can be taken as to open negotiations, which, if once open, will, in my opinion, by counter propositions and further negotiations finally result in peace, probably through the friendly mediation of a neutral power, and, as I hope, the United States. I am the more anxious for this result because I have good reasons to believe that strong efforts are being made for the intervention of European powers to put an end to the present war.

I have, &c.,

I. P. CHRISTIANCY.

P. S.—I have no information from Mr. Osborn that the Chilian Government is desirous of peace; but I have seen evidence which I deem authentic and *more direct* that Chili is willing to make a proposition through some third power. I am under a pledge not to state that evidence *at present* even to you.

I. P. CHRISTIANCY.

No. 274.

Mr. Hay to Mr. Christiancy.

No. 97.] DEPARTMENT OF STATE,
Washington, August 16, 1880.

SIR: On the 13th instant the following telegram was received from the minister of the United States at Santiago: "Chili will accept mediation in form suggested in my dispatch, May 20th." You were apprised of that form by a letter of Mr. Osborn, addressed to you May 13, last, and were informed by instruction No. 93, of July 30, that the Secretary approved the same.

In reference to the above, you were telegraphed on the 13th instant as follows:

Have reason to think Chili not indisposed to our mediations and that negotiations might be opened under our auspices. Report to me your view as to disposition of Peru.

I am, &c.,

JOHN HAY,
Acting Secretary.

No. 275.

Mr. Hay to Mr. Christiancy.

No. 99.] DEPARTMENT OF STATE,
Washington, August 16, 1880.

SIR: I have to acknowledge the receipt of your No. 175 in relation to the charges brought by the Chilian authorities to the effect that Mr. Merriam, consul of the United States at Iquique, has lent his position there to the furtherance of Peruvian interests as opposed to those of Chili.

Approving your course in the premises, asking for a fuller report when the course of events shall make it practicable,

I am, &c.,

JOHN HAY,
Acting Secretary.

No. 276.

Mr. Hay to Mr. Christiancy.

No. 102.] DEPARTMENT OF STATE,
Washington, August 25, 1880.

SIR: Referring to your Nos. 178 and 183 it would appear that the information you had obtained up to the date of the latter in relation to the treatment experienced by Mr. Nugent, consular agent of the United States at Arica, and by the consulate there at the hands of the Chilian forces on the capture of that place, is not sufficiently definite to enable the department to make proper representations in the matter through the minister of the United States at Santiago;

When you shall have learned the absolute state of facts you will please embody the same in a dispatch referring to this instruction by number and date. On the receipt thereof the department will determine with relation to instructing Mr. Osborn in the premises.

I am, &c.,

JOHN HAY,
Acting Secretary.

No. 277.

Mr. Christiancy to Mr. Evarts.

[Confidential and personal.]

LEGATION OF THE UNITED STATES,
Lima, Peru, September 12, 1880. (Received October 22.)

SIR: Referring to the postscript to my dispatch No. 190, and having this day returned from Santiago, I write this confidential note to explain the nature of the evidence I had received which induced me to go to Santiago.

I had been shown an intercepted letter written by the President of Chili to the Chilian admiral at Callao, in which he says in substance that the government is desirous of peace and wishes to make some proposition to Peru, and thinks it would be best to make it through some third power. This letter was dated July 25.

I waited about eight days after seeing this letter, expecting to hear from Mr. Osborn, but received nothing, and fearing that some other power might be selected and that the United States might lose its proper prestige, I suggested to Captain Gillis, the senior officer of our squadron, that, as he had three vessels here whose business it was to cruise along the coasts of the belligerents, it might conduce to the public interest if he could send one south as far as Valparaiso, taking me along and bringing me back. He sent the Wachusett, and I went along and have just returned. Five days after I had left Mr. Osborn's letter of July 31 was received here by my clerk, and on September 9 his letter, of August 12 and August 20, informing me of the provisional acceptance by Chili of our mediation, were received here in my absence, which I have just opened.

As Mr. Osborn has kept you informed of his action and that of the Chilian Government in reference to our mediation, so far as it appears from the letters above referred to, I need not here go over the same ground.

But I will say that if I could have known the contents of those letters here before I went I should not probably have gone at all, and yet I am now satisfied that it was well I did go, as it enabled Mr. Osborn and myself to concert the proper mode of corresponding with Mr. Adams at La Paz and with the several governments and of hastening an opening of negotiations under the mediation of the United States.

For further particulars I refer you to my despatch No. 191. I ask that the present letter may not go on the regular files of the department, but that it may be treated as entirely confidential.

I have, &c.,

I. P. CHRISTIANCY.

No. 278.

Mr. Christiancy to Mr. Evarts.

No. 191.] LEGATION OF THE UNITED STATES,
Lima, Peru, September 13, 1880. (Received October 22.)

SIR: Referring to my personal and confidential letter to you of yesterday, showing the reasons for my going to Santiago, I have the honor to state that on the evening of the 27th August, I arrived at Santiago, Chili, where I at once learned from Mr. Osborn what had taken place between him and the Chilian Government, in reference to the entering upon negotiations with Peru and Bolivia under the mediation of the United States, of which I take it for granted Mr. Osborn has fully informed you.

Mr. Osborn showed me your telegram No. 1 to him, without date, and that of August 17, 1880 (a copy of which last I received, directed to me, from our consul at Valparaiso, and which had been sent forward to me to Lima, having to go by mail from Arica, and which I find here upon my return). Mr. Osborn also showed me his note of the verbal interview of the 6th August with the President and secretary of foreign relations of Chili, dated August 10, which I suppose he sent to you.

But I learned from Mr. Osborn that, before his conference of the 6th August with the Chilian Government, the minister of Italy, with the concurrence of the French minister and the quasi approval of the English minister, had proposed to Chili a negotiation with Peru on the basis of giving up to Chili the province or department of Tarapacá, in full of everything, and had informed the Chilian Government that they expected, through their colleagues of Peru, to get the assent of the Peruvian Government to these terms, which they had not yet obtained.

On the 28th August, by appointment arranged through Mr. Osborn, we had a conference with Mr. Pinto, the President of Chili, and his secretary of foreign relations, in which they confirmed the substance of all Mr. Osborn had told me. I said to them that if the proposition originating with the Italian minister should be accepted by Peru, there was no occasion and no room for mediation of the United States or any other power, as all the rest would be mere matter of form, and that the respective governments could accomplish this themselves; the services of mere couriers, instead of ambassadors, being all that would be necessary.

I could readily perceive that (though they did not in any way indicate that any better terms would be granted) they had not full faith that these terms would be promptly accepted by Peru, and they declared that they had accepted the friendly mediation of the United States, and should not retract it, though it might be rendered useless if the terms proposed by the Italian minister should be accepted.

I learn since I have returned here that the ministers of Italy, France, and England did not venture to propose to the Peruvian Government the *terms* of peace proposed by the Italian minister in Chili, but had simply inquired of the Peruvian Government if it was willing to appoint ambassadors to confer with those of Chili upon terms of peace, and that the Peruvian Government had to this given an affirmative answer.

I will further say that while at Santiago, in view of the failure of the acceptance by Peru of the Italian proposition, and for the purpose of having Bolivia also represented in any conference for peace under the mediation of the United States, it was arranged with the Chilian

Government that letters should be given me to the commanding general (Baguedano) at Arica and to the Chilian admiral at Callao, which the general would forward to Mr. Adams, at La Paz, by express, and that the admirals should forward at the first opportunity any letter I should write to Mr. Osborn. These letters were written and given to me, and I have handed them to the general and the admiral. I also agreed with Mr. Osborn upon a key to be used between him and me from Arica south (as there is no telegraph north of that point).

Immediately on my return from the south, on the 11th instant, I had a full conference with the Supreme Chief of Peru; informed him of the acceptance by Chili of the mediation of the United States and the proposed negotiations, and asked him for a definite answer to be given by the 14th. He asked me to give him in writing the substance of our interview, which I did yesterday, a copy of which I inclose, and to which I call your special attention, as it explains many details which will save me the trouble of repeating here. He is to give me an answer to-morrow, but I may not have it in time to go by this mail, which I expect to send by the Lackawanna to-morrow morning.

I have no reason to doubt that the mediation of our government will be accepted, and that ambassadors will meet at Arica (or, perhaps, at Callao) from all the belligerent powers about the 5th October, and that peace will be the result.

The only unfortunate circumstance is that a Chilian expedition is now operating at Chimbote and along the north coast of Peru, which creates much irritation, as they are levying contributions not only upon towns but upon private property, even of neutrals. But this is no fault of mine, since, if the Peruvian Government had authorized me to say to the Chilian Government that she was ready to negotiate (which I was morally certain she was, but did not wish to appear as asking peace), I could, I am confident, have prevented the operations of this expedition. But I was not authorized to state this to the Chilian Government. Peru must take the consequences.

I have, &c.,

I. P. CHRISTIANCY.

P. S.—SEPTEMBER 14. I am verbally informed by the supreme chief of Peru this morning that Peru accepts, and that he will send me an official note to that effect this evening, but I may not receive it in time to go by the Lackawanna for Chimbote with this letter to-morrow morning.

I. P. CHRISTIANCY.

[Inclosure in No. 191.]

Mr. Christiancy to Mr. Barinaga.

LEGATION OF THE UNITED STATES.
Lima, Peru, September 11, 1880.

MONSIEUR LE SECRÉTAIRE: I have the honor to inform you that I have just returned from Santiago, Chili, where I went for the purpose of consulting my colleague, Mr. Osborn, United States minister to Chili, and to ascertain so far as I could, the disposition of the Chilian Government in reference to putting an end to the war now unhappily existing between that country on one side and Peru and Bolivia on the other.

I am happy to be able to inform you that my colleague (Mr. Osborn) had already, as early as the 6th of August last, had a conference with the Chilian Government in reference to entering upon negotiations for peace, under the auspices of the friendly mediation of the United States of America, and that he found the Chilan Government well disposed to that end and to that mode of reaching it.

And that your government may be fully possessed of the facts bearing upon this question and of the mode proposed for effecting the object, I give you below the note made by Mr. Osborn of his verbal conference with the Chilian Government, and I will further say that this proposed mode of proceeding has been submitted to and expressly approved by the Government of the United States.

"*Memorandum of conference.*

"On the 6th of August, 1880, Mr. Osborn visited President Pinto and Minister Valderrama, touching the subject of mediation by the United States in the present war, and after some general conversation, in which the President expressed himself desirous of arriving at an early peace, Mr. Osborn read from a telegraphic message he had received from Mr. Evarts, Secretary of State of the United States, instructing him to press upon the Chilian Government the desire of the United States to aid in restoring peace.

"The President expressed his gratitude to the President of the United States for his kindness, but thought that the great distance intervening and the difficulties in the way of mail communications presented obstacles to prompt action, if meditation should mean reference of all matters to Washington. Mr. Osborn replied that he understood that the United States Government was desirous of serving the belligerents in whatever way might seem best calculated to procure the desired result, and as to them might seem advisable; but, that, anticipating the force of the suggestion of President Pinto, in May last, he had written to the government at Washington, and to his colleague at Lima, suggesting that if the United States should be called upon to mediate, in his judgment, the best mode of proceeding would be to request the belligerent governments to appoint duly empowered ambassadors to meet at some point on their coast on board an American man-of-war, and there to confer regarding the settlement of their difficulties in the presence of and with the advice and assistance of such ambassador or ambassadors as the United States Government might designate for that purpose.

"To his dispatch to the foregoing effect, Mr. Osborn stated that he had not yet received an answer, but that he believed that his suggestion would prove acceptable to his government. President Pinto and Minister Valderrama expressed themselves as satisfied with the form suggested for mediation, and the President, after a conference with his advisers, caused Mr. Osborn to be informed, at another conference with Minister Valderrama, on the 10th of August, that the Chilian Government would be pleased to accept the services of the United States Government in the capacity of a mediator in the form by Mr. Osborn suggested, August 10, 1880."

I will further say that I personally had an interview with the President and Secretary of State of Chili, who confirmed to me the substance of Mr. Osborn's note, and wished to know of me if the Government of Peru was willing to accept the mediation of the United States, and to enter upon negotiations in that way. I was compelled to say that I had no authority from the Peruvian Government to answer that question; but that I could only give them my impression; that as Chili had accepted the mediation of the United States, neither Peru nor Bolivia would refuse it.

Mr. Osborn wrote to Mr. Adams, our colleage at La Paz, some three weeks ago, explaining the whole matter, and requesting him to ascertain the disposition of the Bolivian Government and to let him and me know; but mails to La Paz are uncertain, and both Mr. Osborn and myself wrote him while I was there, and the secretary of foreign relations wrote to General Baguedano (the Chilian general), who promised to forward them at once, and if Bolivia assents we requested Mr. Adams to be at Arica with the ambassadors of Bolivia by the 5th October.

The Chilian Admiral Riveros has been instructed to hasten forward any letters I may wish to send to Mr. Osborn.

The Chilian Government assents that Peru may send an unarmed vessel to Arica for the convenience of her ambassadors and their conveyance there, if desired, and Admiral Riveros has orders accordingly.

It now only remains for your government to decide whether it will accept the friendly mediation of the United States to open negotiations in the manner proposed.

I improve this opportunity to express to your excellency the high regard and esteem with which I subscribe myself, &c.,

I. P. CHRISTIANCY.

His Excellency Señor Don MANUEL M. BARINAGA,
Secretary of the Treasury, and Acting Secretary of Foreign Relations, &c., of Peru.

No. 279.

Mr. Christiancy to Mr. Evarts.

No. 194.] LEGATION OF THE UNITED STATES,
Lima, Peru, September 17, 1880. (Received October 18.)

SIR: Referring to my dispatch No. 191, I have the honor to inclose to you the reply of the supreme chief of Peru, sent me in writing, together with a translation. The document, as you will see, is peculiar; though it does clearly accept the mediation of the United States, and by implication, when construed with reference to the circumstances and the verbal explanation of the plan of negotiations, must be understood as consenting to the negotiations in the manner proposed, with an indignant protest against the acts of Chili along the north coast of Peru, the main and direct object of which seems to be the levying of contributions upon private property, and destroying the property in case of non-payment—a mode of warfare the legitimacy of which is at least questionable,—and which the general opinion of the diplomatic corps here pronounces inadmissible under the humane principles of modern warfare, though all admit the right of a belligerent under the present recognized laws of war to impose contributions upon towns, cities, and other political organizations of an enemy's country, as well as the right to destroy individual property whenever it may become incidentally necessary in carrying out any proper *military* enterprise, but not the right to demand forced contributions from the owners of mere private property, or to destroy such property, and to make this the special end and object of an expedition where there is no armed enemy to be opposed, and the owners are non-combatants.

I send copy of telegram from Colonel Lynch, Chilian commander, to Mr. Derteano, owner of a sugar estate worth $3,000,000, which has been destroyed for non-payment.

I deeply regret this expedition as very inopportune, so far as it affects the question of peace, but I was in no condition to ask Chili to refrain from it so long as I could not assure them of the acceptance by Peru and Bolivia of our mediation, nor was there any express understanding with Chili that they should refrain from any military operations prior to the opening of negotiations.

I wrote a letter to Mr. Osborn from Arica September 7, and a similar one to Mr. Adams. I send you here a copy of that to Mr. Osborn, as follows:

ARICA, *September 7, 1880.*

HON. THOMAS A. OSBORN,
Santiago, Chili:

SIR: I have to advise you of my arrival at this port at 8 a. m. to-day, on board the Wachusett. I found that General Baguedano was absent in Tacna, but Colonel Valdivieso, commander of the post, called upon me at once and offered his services. I delivered to him the letter of the minister of foreign relations and my dispatches, to be forwarded to La Paz, calling upon him for that purpose at headquarters.

Allow me to say that, in my opinion, as soon as ambassadors shall have met for negotiating peace, with the mediation of the United States, an armistice of two or three weeks at least should be established, as I think it would increase the probability of success, to avoid during the negotiations all further causes of irritation during the conference. In fact, without such armistice it would be naturally inferred that the party or parties refusing the armistice had little faith in the result. Besides, it seems to me it would not be entirely respectful to the United States, as mediator, to refuse such armistice.

Your dispatch received just as I am closing this. I can find no dispatches or letters to or for you here, nor for Mr. Adams.

Immediately on receiving verbal notice from the supreme chief of the acceptance of our mediation, on the 13th instant, I wrote to the commander of the Chilian expedition a letter, of which I send you copy (a copy of which was also sent to the Chilian admiral on same day).

On the 14th I wrote him another letter for the protection of property of Edward C. DuBois, of which I inclose copy.

On the 15th instant I went on board the Chilian admiral's ship to see if he could forward a letter or dispatch (from me to Mr. Osborn) to Arica, to be telegraphed thence, but he had no vessel which he could send, and knew of no mode earlier than the mail steamer for the south, which would not go before the 19th or 20th. I left with and showed to him a telegraphic dispatch for Mr. Osborn, informing him of acceptance of mediation by Peru and Bolivia, inclosed in a letter to our consular agent at Arica, to be sent by telegraph from Arica. These the admiral was to send by his first opportunity.

On my return to the Lackawanna I suggested to Captain Gillis to send the Wachusett to Arica to deliver a letter and dispatch to our consular agent there, a copy of which letter and dispatch I here inclose. Captain Gillis assented, and the Wachusett left on the morning of the 16th, which will get the dispatch to Mr. Osborn from four to six days sooner than it could have gone by the mail steamer.

While on board the Blanco Encalada, the admiral informed me that both he and Colonel Lynch (commander of the land expedition) had orders to spare the property belonging to neutrals as far as possible.

I thereupon wrote to Colonel Lynch, on the 16th instant, the letter (of which I here inclose copy) in behalf of John W. Grace, an American citizen, which may serve as a sample of many others which I have since written, and upon which I have been kept nearly all my time busy. Copies are preserved and can be sent if you wish; but I have not clerical force to send them all now.

On the 16th instant I met the diplomatic corps here at the call of the dean, to consider some matters of little importance, about which I will not trouble you now, and after these things were disposed of I volunteered to make a candid statement to them of all that had occurred in Chili in reference to the mediation of the United States, assuring them, as I believe the truth to be, that the American ministers had not, in any way, sought to defeat any of the efforts of the ministers of other nations to bring about a peace; that the information received from the Government of Chili and from Mr. Osborn only gave me to understand that the attempt at negotiation initiated by the Italian and French ministers was based upon the idea that Peru, as a preliminary condition to negotiation, was to assent to the cession of Tarapacá to Chili, which Peru had not yet assented to, and the Chilian Government did not seem to trust that she would in the first instance, and as an indispensable condition to negotiations, and had therefore accepted the mediation of the United States; that I had said to the Chilian Government that if the supposed proposition, based upon the cession of Tarapacá, should be accepted by Peru there was no occasion for any mediation, &c., and that, therefore, I had not supposed that the proffered mediation could, in any way, antagonize the negotiations set on foot by the Italian and French ministers and approved by the English minister here; that the common interest of all neutral nations was for peace between the belligerents, and that I did not suppose that any government sought—and I knew that my government did not seek—any peculiar advantage from a treaty of peace, nor any advantage which would not be common to all other neutral nations; that I had never made any secret of the fact,

but had uniformly told them, for more than a year past, that the United States was ready to offer her friendly mediation, whenever all the belligerents should indicate their willingness to accept it, notice of which had been communicated to all the belligerents.

In answer to these explanations I, for the first time, learned from the Italian, French, and English ministers here that Chili had ever intimated to them or their colleagues at Santiago a willingness to enter upon negotiations at large, and without the indispensable condition, as a basis, of the cession of Tarapacá; but I was now (September 16), for the first time, informed of this, and that Peru had assented to it. But the Government of Peru had never given me any such intimation, and has not now.

The supreme chief has been absent since the 16th at the north, and has not yet returned. I have explained to all the diplomatic corps everything in relation to the mediation of the United States (except the telegrams to me and Mr. Osborn).

There is evidently some chagrin on the part of the ministers of Italy, France, and England, that their good offices (tendered, I am bound to suppose, in equal good faith) have been rejected and our mediation accepted, but so far as I am able to discover they can only complain of the government of Chili, as the ministers of the United States have acted in perfect good faith, so far as I know and believe.

As I have some slight reason to suspect (and most of the foreign ministers here believe), from information from the South, that Chili may be contemplating an expedition against Lima, which I think wholly inconsistent with mediation in the mode proposed, I prepared and sent away yesterday, by the British mail line, the dispatch to Mr. Osborn, of which I send you a copy (which is to be telegraphed from Arica).

Should this expedition take place before and in the face of the proposed negotiations, I shall be compelled to look upon it as a violation of good faith, as I must be, and the Chilian Government must necessarily have known that I must be, here to protect my legation and the citizens of the United States in such contingency.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 194.—Translation.]

Mr. Barinaga to Mr. Christiancy.

OFFICE OF THE SECRETARY FOR FOREIGN AFFAIRS,
Lima, September 14, 1880.

Mr. MINISTER: Having been informed by your excellency of your voyage to Santiago de Chili, with the object of offering to the government of that republic the mediation of the United States in order to bring about a peace with Peru and Bolivia, a mediation which, having been accepted by Chili, you have therefore proposed to my government, I have to make known to your excellency that, after conferring with the minister plenipotentiary of Bolivia, my government has decided to accept your offer, purely from deference to the Government of the United States, and notwithstanding that the motives which induced Chili to declare war against Peru and the manner in which she has carried it on up to the present day prove to us how far she is from the path of moderation and justice, without which no peace is possible, as I had the honor to make known to your excellency in our verbal conference upon this matter.

The acts which the Chilian forces have just committed more than a hundred leagues distant from our army, and without any warlike object, sacking, burning, and destroying the property of both natives and foreigners, immediately after accepting the mediation of your government, are not only not compatible with the regard due to a friendly mediator, but create a feeling of indignation which it is very difficult to re-

press. My government limits itself to the expression of this feeling, leaving to that of your excellency, and to your excellency also, the manner of appreciating our conduct.

My government believes that, if its desire for peace and the regard it has for the government and people of the United States have determined it (notwithstanding the evident justice of its cause and the confidence it has respecting the exit of the war, and leaving on one side all that we have suffered), to entertain negotiations for peace, still all such motives will fall before the painful evidence we have that we are fighting with those who infringe the laws of civilization and the respect which every nation should show one to another.

I have the pleasure on this occasion to offer to your excellency my esteem.

MANUEL A. BARINAGA.

His Excellency Mr. I. P. CHRISTIANCY,
Envoy Extraordinary and Minister Plenipotentiary of the United States of America.

[Inclosure 2 in No. 194—Telegram.]

Colonel Lynch to Mr. Derteano.

T. DERTEANO:

In accordance with the instructions which I have received from my government, I impose on your sugar factory (Ingenis) of Palo Seco a war contribution of 100,000 pesos, in silver, or the equivalent of this sum. If you do not reply immediately, giving the corresponding orders to your employé to pay the said contribution, I shall have, to my regret, to destroy completely the factory of Palo Seco. You may state the manner of paying the mentioned war contribution.

(Signed:) The chief of the division of the Chilian army at Chimbote.

[Inclosure 3 in No. 194.]

Mr. Christiancy to Mr. Osborn.

(In the body of Mr. Christiancy's dispatch.)

[Inclosure 4 in No. 194.]

Mr. Christiancy to the Chilian Commander.

No. 72.] LEGATION OF THE UNITED STATES,
Lima, Peru, September 13, 1880.

To the Commander of the Chilian forces at Chimbote and in the north of Peru:

SIR: I have just returned from Santiago, where, with the American minister, Mr. Osborn, I had a full and free conference with the Chilian Government, which has accepted the mediation of the United States for the negotiations of peace with Peru and Bolivia. I am now authorized to say that Peru accepts that mediation, and that negotiations for peace will be at once entered upon. When I consulted with the Chilian Government I was not authorized to say that Peru would accept the mediation of the United States, but now I am authorized to say that Peru accepts and that the ambassadors of all the belligerents are likely to meet as early as the fore part of October next for that purpose,

I do not and cannot assume to interfere with any instructions you may have from your government as to the course you have been directed to take; but you will, I hope, appreciate my motives and those of the government I represent (which is equally friendly to all the belligerents) when I suggest to you that, so far as your orders will permit, it would be judicious and tend to the attainment of an early peace, to avoid all depredations and causes of irritation not rendered obligatory by your orders. And you will permit me to say that I know there is a very strong feeling among the ministers of foreign governments here and at Santiago against depredations upon mere private property not demanded by some actual military necessity in attacking the armed forces

of your enemy, or the levying contributions upon it, and especially as such depredations may be committed or forced contributions levied upon private property known to belong to citizens of friendly and neutral nations, from which, as you can readily see, many complications and reclamations may arise.

The Government of Chili will be at once informed of the acceptance by Peru of the friendly mediation of the United States and her readiness to enter upon negotiations, under such auspices.

Had I been able while at Santiago to assure the Chilian Government of the willingness of Peru thus to enter upon negotiations, as Chili consented to do, I am strongly inclined to the opinion that, if your expedition had been dispatched at all, it would have been under orders somewhat modified and less stringent than they now probably are; but I cannot ask you to adopt my opinion. I fully recognize the fact that you must act upon your own views of what the circumstances and the orders of your government may demand.

Allow me in conclusion to express to your excellency the high regard and esteem with which I subscribe myself, &c.,

I. P. CHRISTIANCY,
United States Minister to Peru.

[Inclosure 5 in No. 194.]

Mr. Christiancy to the Chilian Commander.

No. 73.] LEGATION OF THE UNITED STATES,
Lima, Peru, September 14, 1880.

To the Commander of the Chilian forces at Chimbote and in the north of Peru:

SIR: I am well aware that the property of neutrals in an enemy's country must, to a considerable extent, abide the like risks of war as that of individual citizens of the enemy's country.

But one of the principal causes of this rule is the difficulty which the attacking belligerent must encounter in ascertaining whether the property belongs to citizens of a friendly nation or to those of the belligerent nation. For the purpose of enabling you to decide this question in the case I am about to present, I have the honor to inform you that the Hacienda Suchiman, thirty miles from the port of Chimbote, and upon the line of the Chimbote and Huaraz Railway, is the exclusive property of Edward C. DuBois, a citizen of the United States of America, and that he is also the owner of all the buildings, crops, stock, and property on said Hacienda, due proof of which ownership has been filed in this legation.

I should, therefore, esteem it as a friendly act towards the Government of the United States if said Hacienda and property can be exempted from all depredations not rendered actually necessary by the exigencies of war.

Please accept the assurance of the high regard and esteem with which I have the honor to subscribe myself, &c.,

I. P. CHRISTIANCY,
United States Minister to Peru.

[Inclosure 6 in No. 194.]

Mr. Christiancy to Mr. Nugent.

LEGATION OF THE UNITED STATES,
Lima, Peru, September 15, 1880.

DEAR SIR: Please send by government telegraph the inclosed dispatch to Mr. Osborn, American minister to Santiago, without a moment's delay.

Please also forward to him by first mail the letter I send you for Mr. Osborn, by steamer.

Yours truly,

I. P. CHRISTIANCY,

C. M. NUGENT, Esq.,
United States Consular Agent, Arica, Peru.

[Inclosure 7 in No. 194.—Telegram.]

Mr. Christiancy to Mr. Osborn.

LEGATION OF THE UNITED STATES,
Lima, Peru, September 15, 1880.

Hon. THOMAS A. OSBORN,
United States Minister, Santiago:

Peru accepts; Bolivia, through her minister here accepts. But the depredations now being committed upon private property of non-combatants along the coast of Peru are calculated to exasperate the people and defeat the prospect of peace.

I. P. CHRISTIANCY.

[Inclosure 8 in 194.]

Mr. Christiancy to Chilian Commander.

LEGATION OF THE UNITED STATES,
Lima, Peru, September 16, 1880.

To the Commander of the Chilian forces along the coast of Peru, North of Callao:

SIR: Being informed by Admiral Tuneros that the orders of your government to him and to yourself are to spare as far as possible the property of citizens of neutral and friendly nations, which I am sure will be properly appreciated by all such nations, in order to enable you to carry into full effect the good intentions of your government. I take the liberty of informing you that John W. Grace, esq., recently of California, now temporarily resident of Lima, is a citizen of the United States of America, and entitled to protection as such, and I further certify that he has filed in this legation satisfactory and clear evidence that he is the true and lawful owner of the sugar estate known as Checlin and Hacienda Arrelea, situated in the province of Trujillo, and you will allow me to express the hope that these properties may be exempted from injury by your forces.

Please accept the assurance of the high regard and esteem with which I have the honor to subscribe myself, &c.,

I. P. CHRISTIANCY,
Envoy Extraordinary and Minister Plenipotentiary of the United States to Peru.

[Inclosure 9 in 194.—Telegram.]

Mr. Christiancy to Mr. Osborn.

LEGATION OF THE UNITED STATES,
Lima, Peru, September 16, 1880.

Hon. THOMAS A. OSBORN,
United States Minister, Santiago, Chili:

Should the reputed expedition of the Chilian army to Lima take place before and in the face of the proposed negotiations there will be no mediation. It would place the United States in an ignominious position. The acceptance of Peru might be withdrawn, and I should not be able to leave Lima, though it were not withdrawn; as in that event I should be compelled to be at my post here and all our naval vessels would have to be here. If Chili does not wish to prevent peace she will not send this expedition now. If expedition does not come, expect to be at Arica with ambassadors about 5th October.

I. P. CHRISTIANCY,
United States Minister.

No. 280.

Mr. Christiancy to Mr. Evarts.

No. 195.] LEGATION OF THE UNITED STATES,
Lima, Peru, September 18, 1880. (Received October 22.)

SIR: Referring to your dispatch No 90, in reference to complaint of Chilian Government against Mr. Merriam, our consul at Iquique, I have

the honor to inform you that I had no means or opportunity to investigate the charge until I went south to Santiago, as stated in my recent dispatches. I was informed by Mr. Osborn, at Santiago, as well as by the office of foreign relations there, that Mr. Merriam was suspected of being the medium of communication between Peruvian officers and their government, and of being generally friendly to Peru, but the only specific charge against him was that sent you by Mr. Osborn, to which you refer in your dispatch No. 90.

On my return from Valparaiso, on September 6, 1880, I got the Wachusett to stop at Iquique (finding we should lose no time, as we should otherwise arrive at Arica in the night and have to wait till morning.) I there called upon Mr. Merriam, who most explicitly denied the only specific charge made against him, that of forwarding a letter or attempting to forward a letter from the Peruvian general, Montero, to his government, and all notice or knowledge that any such letter as that referred to had ever been addressed to him, or that he had ever received it.

I inclose here a copy of his statement made in writing, September 6, 1880, also a copy of his supplemental letter of September 6, received by me three days since by mail.

It will be readily seen that, in the face of these letters, I cannot remove Mr. Merriam without some evidence tending to impeach his statements. I saw the captain of the port of Iquique September 6, and said to him that I had no evidence of any wrong in this matter on the part of Mr. Merriam, and that if he had any, I would thank him to forward it to me, as our government would not uphold our consul in aiding to keep up such correspondence of Peruvian officers to the prejudice of Chili.

Certainly the mere attempt of General Montero to get Merriam to forward the letter in question, without any knowledge of this on the part of Merriam and without such letter ever reaching his hands, cannot be treated as *evidence* against him. He married a Peruvian wife, and his sympathies may be with Peru, and probably are so, but this is too indefinite a cause for me to act upon in removing him. The department has a larger discretion.

I am, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 195.]

Mr. Merriam to Mr. Christiancy.

SEPTEMBER 6, 1880.

* * * With reference to the subject of your dispatch, marked "confidential," dated June 10 last, I will state to you that your dispatch gave me the first intimation which I ever had that General Montero had ever proposed to send official correspondence through this consulate. Had he or any other of the belligerent parties proposed to me to forward such communications I should certainly have refused to do so. The correspondence referred to never came into my possession, nor did I know until I received your letter that such correspondence had been sent to my care; nor have I ever to my knowledge been the medium of communication, directly or indirectly, since the beginning of the war up to the present time, between the belligerents.

J. W. MERRIAM,
United States Consul.

[Inclosure 2 in No. 195.]

Mr. Merriam to Mr. Christiancy.

CONSULATE OF THE UNITED STATES,
Iquique, September 6, 1880.

SIR: As supplementary to the conversation which we had in the consulate this morning I wish to put in writing, in an official form, one or two statements with reference to the subject of your dispatch marked "confidential," dated June 10 last. I will state that that dispatch gave me the first intimation which I ever had that General Montero had ever proposed to send official correspondence through this consulate.

Had he or any other of the belligerent parties proposed to me to forward such communications I should certainly have refused to do so.

The correspondence referred to never came into my possession, nor did I know until I received your letter that such correspondence had been sent to my care; nor have I ever, to my knowledge, been the medium of communication, directly or indirectly, since the beginning of the war up to the present time, between the belligerents.

I have, &c.,

J. W. MERRIAM.

No. 281.

Mr. Christiancy to Mr. Evarts.

No. 197.] LEGATION OF THE UNITED STATES,
Lima, Peru, September 30, 1880. (Received November 16,)

SIR: I leave to-morrow morning on the Lackawanna for Arica, to attend the proposed negotiations there, the Peruvian negotiators going on an unarmed ship of their own, the Limeña. Owing to the Chilian operations along the north coast of Peru, and the destruction of public and private property there (where there is no Peruvian armed force), and the exasperation thus caused, the whole scheme of mediation has, after it had been agreed to by Peru, and I had notified Mr. Osborn of this, been upon the point of being abandoned and rejected by Peru, and it has been only after my most earnest and repeated efforts that she has finally agreed to go on with the attempt to negotiate under our mediation; and, I confess, I have not now so strong a hope of a successful issue of the negotiations as I had three weeks ago.

Chili has evidently for the present determined to insist upon the cession of Tarapaca, and the Peruvian Government profess to have determined not to cede an inch of territory.

Both Peru and Bolivia now prefer the *arbitration* of the United States to her *mediation*, because they think that the demands of Chili will be so exorbitant that no agreement can be reached, and they wished to change the whole programme to that of arbitration. I have said to them that this would be departing from all the preliminary arrangements which had been agreed upon by all the parties; that it would lead to delay, as our government would first have to be consulted as well as that of Chili, and that it would place the Governments of Peru and Bolivia in an awkward position, after both had accepted, now to retract; besides, it would be in no way complimentary to the United States, to say the least; that it was best to make the attempt to negotiate as at first proposed; and if that should disclose an impossibility to agree upon terms, then arbitration might be attempted and even proposed by the negotiators; but that it was in every way desirable that all the belligerents should, if possible, first agree upon some general basis, and then to submit minor questions only to the arbitration of a

third power; as no such third power would desire to decide upon the whole question (upon an open field) upon what terms the belligerents should settle a peace, &c. They have finally yielded to this reasoning, and the attempt to negotiate under our mediation will proceed.

I have been so constantly engaged in these matters and in providing for the protection of American citizens, especially during my absence and in making preparations to leave, that I have not been able to write you upon several subjects of interest, nor even to prepare my quarterly account for the quarter ending to-day, but I have instructed my clerk, Mr. Renant, to send you several newspapers showing the operations of the war and the financial expedients resorted to here; and if any great event likely to be interesting to you should occur here during my absence to inform you, signing his name only as my clerk.

I have, &c.,

I. P. CHRISTIANCY.

No. 282.

Mr. Christiancy to Mr. Evarts.

No. 198.] LEGATION OF THE UNITED STATES,
On board U. S. Steamer Lackawanna,
Bay of Arica, Peru, October 24, 1880. (Received November 16.)

SIR: Referring to my last dispatch from the legation at Lima, No. 197, I will say that I left Lima on the morning of October 1 and went on board the Lackawanna, which was ready to sail at 12 m., and we had expected the Chilian vessel Chalaco, with the Peruvian plenipotentiaries to be ready to leave then; but she did not get out of port until evening. We, therefore, did not leave until 6 a. m. of the 2d instant. The Peruvian Government was averse to Arica as the place of negotiations, and ordered their vessel to stop at Mollendo, hoping that I would be able to get Chili to consent that the negotiations should take place there or at some other place north of Pacocha and not in possession of Chilian troops. We, therefore, left the Chalaco with the Peruvian plenipotentiaries at Mollendo, where I had expected to meet Mr. Adams; but, he not having arrived, I telegraphed him to come on, and I then went on to Arica with the Lackawanna, where I arrived at daylight on the 6th instant, expecting to find Mr. Osborn and the Chilian plenipotentiaries, but found they had not arrived, and from telegrams from him and a letter I received here, found it a little doubtful whether they were coming at all. By the 9th, however, it was settled that they would come. In the mean time I had been making an effort to induce the Chilian Government to consent to a change of place, but finding they would not consent to a change until preliminaries should be agreed upon, and that if we waited for the mail-steamer to communicate with the Peruvian negotiators some days might be lost, I induced Captain Gillis to return with me to Mollendo, where I met them and explained the situation, but got no express consent from them to come to Arica.

Mr. Adams and the Bolivian negotiators arrived at Mollendo while we were there on the 12th instant, and Mr. Adams came with us here, leaving Mollendo on the 14th in the morning, and arriving here in the evening, yet uncertain whether the Peruvian plenipotentiaries would come here, but informing them that we should wait here for them a short time, and if they did not come, should start for Callao.

Mr. Baptista (one of the Bolivian negotiators who had come down with us) wrote to his colleague and the Peruvian negotiators at Mollendo, urging them to come, and I also wrote, and on the evening of the 20th instant, the Chalaco arrived here with the negotiators of Peru and the remaining one from Bolivia, Mr. Osborn and some of the Chilian negotiators having in the mean time arrived here on the 17th, and the others since. On the 22d, at 12 m., the necessary notices and preliminary measures having been given and taken, the plenipotentiaries held their first preliminary meeting in the cabin of the Lackawanna; Mr. Osborn, the senior United States minister on the part of the United States acting as chairman; and their respective powers being found in due form, the plenipotentiaries of Chili (in accordance with our suggestion previously made) handed to the plenipotentiaries of Peru and Bolivia (now on board the Chalaco) their first proposition or basis of peace, and the meeting closed. The Peruvian and Bolivian plenipotentiaries have these propositions now under consideration, and have given notice that they will be ready for another meeting on board the Lackawanna tomorrow at 1 p. m.

I inclose a translation of the terms or essential bases demanded by Chili, as furnished to the plenipotentiaries of the allies. I have not time to give copy in Spanish, as the mail-steamer which will take this is now in port. I will simply say of these propositions that to me they do not appear to have been made with any expectation that they would be accepted by the allies; since they are such that they could hardly be accepted without such a degree of national humiliation as would be inconsistent with that self-respect essential to the independent national existence of the allies; and if made with the serious intention of being insisted upon, I should be satisfied there will be no peace, and that Chili is not desirous of peace.

But I think the more reasonable conclusion is that they were purposely made much more exacting than the negotiators intend ultimately to insist upon, for the purpose of drawing out propositions of a more moderate and reasonable character from the allies, and I am strongly inclined to the belief that Chili will be satisfied with a cession by Bolivia of all her possessions between the Andes and the coast, and by Peru of the province of Tarapaca, bounded north by the river Camarones, in full of all her demands. Such, I was semi-officially informed by the President and Secretary of State of Chili, and by Mr. Hunaens (selected by them to communicate with me) when I was in Santiago, about the close of August last, and when they informed me they had accepted the mediation of the United States. But the probabilities of the result will now soon begin to develop.

For the present and until the negotiations among the plenipotentiaries elicit the real points of disagreement, we, as mediators, do not propose to interfere.

I am, &c.,

I. P. CHRISTIANCY.

[Inclosure in No. 198.—Translation.]

Memorandum of the essential conditions which Chili exacts in order to arrive at a peace, presented by the Chilian plenipotentiaries to the Peruvian and Bolivian plenipotentiaries in the conference held on board the United States ship Lackawanna, the 22d of October, 1880.

First. Cession to Chili of such territory of Peru and Bolivia as extends to the south of the valley of Camarones and to the west of the line of the Andean Cordillera, which

separates Peru and Bolivia, as far as the valley of the Chacarilla, and to the west also of a line which, from this point being prolonged, would strike the frontier of the Argentine Republic, passing through the center of Lake Ascotan.

Second. Payment to Chili by Peru and Bolivia jointly of the sum of twenty millions of dollars, four millions whereof are to be paid in cash.

Third. Return of the properties of which Chilian citizens in Peru and Bolivia have been despoiled.

Fourth. Return of the transport Rimac.

Fifth. Abrogation of the secret treaty made between Peru and Bolivia in the year 1873, leaving at the same time void, and of no effect whatever, the steps taken to bring about a confederation between the two nations.

Sixth. Retention on the part of Chili of the territory of Moquegua, Tacna, and Arica occupied by Chilian forces, until the obligations to which the preceding conditions refer have been complied with.

Seventh. The obligation on the part of Peru not to fortify the port of Arica when it shall be given up to her, nor at any time, and an understanding that in future it shall be an exclusively commercial port.

A true copy.

On board the Lackawana, Arica, October 22, 1880.

DOMINGO GANA,
Secretary of the Plenipotentiary of Chili.

Mr. García to Mr. Evarts.

No. 283.

[Translation.]

LEGATION OF PERU IN THE UNITED STATES OF AMERICA.
New York, October 25, 1880. (Received October 27.)

MOST EXCELLENT SIR: I hasten to inform your excellency that I have received a telegram from Panama, by which I am officially informed of the acceptance by my government of the good offices proffered by that of your excellency through your representatives in Peru, Bolivia, and Chili, with a view to securing the restoration of peace among those republics. I am also informed that my country has appointed Dr. Antonio Arenas and Captain Aurelio García y García, a naval officer, to represent it in the negotiations which are to be commenced.

Peru, having been forced into a struggle which she did not provoke and for which she was not prepared, has suffered, as your excellency is aware, every kind of injury, both material and moral, hoping to be able, sooner or later, to make a suitable return for the same; and it is just at the moment when she is in possession of the elements necessary to check the advance of Chili that your excellency's government interposes and offers to put an end to the disastrous war in which we are involved.

The contest is not one of my country's seeking. Having been attacked by surprise, she has done no more than defend herself against the most unjust of all aggressions. Although constantly fighting at an immense disadvantage, she has shed her blood and sacrificed her treasure in order to furnish evidence to the world that she is worthy of the place which she occupies among free nations. The material results, however, have been unfavorable to her, and she has been forced to undergo the sore trial of suffering the outrages of the victor, which have indeed been greatly at variance with what is sanctioned by justice and by modern civilization.

Recently, after Chili had accepted your excellency's mediation, a portion of her army landed in the most defenseless part of my country,

where, in violation of every principle and of every consideration, it was guilty of excesses which I do not here characterize as I might, out of respect both to your excellency and to myself. Nevertheless, Peru will enter the path of peace, through the mediation of the great American Republic, thus obeying her generous instincts and suppressing the feelings of just indignation which the acts of vandalism that have been committed by her implacable enemy have necessarily aroused in her breast. Unfortunately this will not suffice for the success of the negotiations, which have doubtless by this time begun. But little is to be expected from a country that carries on war as Chili has thus far done, exciting the abhorrence of all civilized nations, and I do not expect that your excellency will attain the object which you so nobly have in view. The advantage which the fortune of arms has given to that country renders it highly improbable that she will comply with reasonable requirements, and it is almost certain that the war will have to be continued, while it is impossible for any one to foretell what will be the end of its horrors. Be this as it may, Peru will ever gratefully remember that your excellency's government has taken the most lively interest in bringing about the termination of a conflict which ought never to have been commenced, but in which she has given splendid evidences of her profound respect for the principles of right and of social ethics.

I avail myself of this occasion to offer your excellency the assurance of my highest respect and consideration, and to subscribe myself your excellency's faithful and obedient servant.

IGNO. GARCÍA.

No. 284.

Mr. Christiancy to Mr. Evarts.

[Telegram.]

SANTIAGO DE CHILI, *October* 27, 1880.

SECRETARY OF STATE,
Washington, United States.

Peru refuses Tarapaca; Chili refuses arbitration of United States.

CHRISTIANCY.

No. 285.

Mr. Christiancy to Mr. Evarts.

No. 200.] LEGATION OF THE UNITED STATES,
Lima, Peru, November 2, 1880. (Received December 6.)

SIR: I have the honor to inclose to you the protocols of the conferences of the plenipotentiaries of Peru, Bolivia, and Chili, held at Arica from the 22d to the 27th October last under the mediation of the United States; also translation of the same. These protocols show the whole substance of the conferences, but in explanation of the time and manner of the presentation of the terms proposed by Chili as the basis on which she was willing to negotiate, and which were handed to Mr.

Arenas, as stated on pages 15 and 16 first protocol, it is proper to say that they were handed to the latter just as he was about to address the conference, and he did not read them before he spoke, nor were they read till after the first meeting was broken up. This may explain some of the remarks of the Peruvian and Bolivian plenipotentiaries made at the first meeting.

I wish further to say that while I think the Chilian *Government itself* was honestly desirous of peace when they accepted the mediation of the United States, and may still have wished for peace at the time of the conferences, yet from many circumstances I am satisfied or at least strongly inclined to believe that before the conferences actually took place the government had been driven by the popular clamor of its citizens, instigated and encouraged by several parties in opposition, to give up the hope, and even the purpose of making a fair and reasonable effort to secure peace, and that the government was, in effect, compelled to demand such terms as even, in their own opinion, could afford no probability of acceptance by the allies, and thus, in effect, as they must have known, to render the mediation of the United States utterly nugatory.

I am led to this conclusion,

1st. By information given me by Mr. Osborn, as to the increased violence of the popular clamor to go to Lima, and its effect upon the Chilian Government.

2d. By the fact that when I was in Chili about the last of August, and had an informal conference with the President and his Secretary of State, as well as Mr. Hunacus, who had been authorized to confer with me, no such exorbitant terms of peace were demanded, but only the cession of Tarapaca by Peru and, as I understood, the Bolivian littoral south of it, though the latter (as to Bolivia, was left mainly to be inferred rather than expressed).

3d. From the fact that the Peruvian officers at Tacna and Arica, where I met them on the 6th, 7th, and 8th October, spoke apparently with strong hopes of peace, but after about the 18th or 20th of October, and more especially after some of the plenipotentiaries of Chili arrived at Arica, the general tone of remarks of Chilian officers seemed to have entirely changed, and they declared generally to those with whom they conversed (as reported to me) that there would be no peace, and that they expected to go to Lima.

4th. The rapid preparations making before our eyes for that expedition.

5th. The fact that when the Peruvian plenipotentiaries arrived on the Chalaco in the Bay of Arica, and during the seven or eight days they were there, none of the Chilian authorities, nor their plenipotentiaries, called upon them at all, nor offered them any civilities.

6th. That while the Peruvian vessel remained in the Bay of Arica, the Chilians took occasion to fix a target a little further out from the Morro than this vessel, and but a short distance ahead of it, and spent the whole afternoon in firing from the Morro at this target with their artillery; and the Huascar which came in while we were there and remained some two or three days, when she left, took occasion to run almost around the Chalaco, as if purposely to insult the Peruvian plenipotentiaries; and,

7th. The general tone of most of the Chilian press which I have seen which demands not only the capture, but the sacking and pillage of Lima, which the common soldiery, as I am informed, declare has been held out to them as an inducement to volunteer, but for which I will not vouch, as I am slow to believe that any respectable officers of Chili

could be guilty of such extravagance, though subordinate enlisting officers may be.

From all present appearances I shall expect the Chilian army around Lima within about a month from this time, perhaps sooner, and possibly later, though, as it seems to me, it would be their true policy, before coming here, to take the railroad from Mollendo through Arequipa to Puno, and to hold all south of that line, which I have some suspicion they may do before coming here.

Peru has here some thirty-five thousand men to defend Lima; they are well armed, and if well drilled and commanded ought to be able to protect Lima; but they lack experience, and nothing but the actual trial can decide whether Lima can be taken. If taken I shall expect the worst, as the Chilian soldiery, though personally brave, are slightly superior in civilization to our Utes and Sioux Indians in their mode of carrying on practical warfare. Their officers may endeavor to keep them within the rules of civilized warfare, but they have hitherto failed, and I think will again fail, should they be victorious.

But, whatever may happen, I propose to remain at my post, to rely upon the protection of our flag, and afford all the protection in my power to American citizens.

I have not the time to-day to give you a full account of the various steps which have been taken by letters and by telegraph to bring about the meeting of the plenipotentiaries at Arica, and to give you copies of the various letters and telegrams which became necessary. This I must defer to a future occasion, as I think it more important now to give you the results and their causes.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 200.]

Report of Messrs. Osborn, Christiancy, and Adams to Mr. Evarts.

ON BOARD U. S. S. LACKAWANNA,
Bay of Arica, October 27, 1880.

SIR: The undersigned, ministers of the United States, accredited to the Governments of Chili, Peru, and Bolivia, respectfully report that, in pursuance of arrangements concluded by us with the governments to which we are accredited, on the 22d of October instant, the following-named plenipotentiaries met in conference in our presence on board the United States ship Lackawanna, then anchored in the Bay of Arica, for the purpose of discussing the existing complications between the three belligerents, and concluding, if possible, a peace:

Don Mariano Baptista and Don Juan Crisóstomo Carrillo, plenipotentiaries of Bolivia;

Don Eulogio Altamirano, Don José Francisco Vergara, and Don Eusebio Lillo, plenipotentiaries of Chili; and

Don Antonio Arenas and Don Aurelio García y García, plenipotentiaries of Perú.

Charles S. Rand, of Lima, was duly named secretary and interpreter for the undersigned pending the conference.

The powers of the various ministers were duly exchanged, and after a brief session the conference adjourned.

It again convened on the 25th of October, when the discussion of the subject which brought them together was entered upon and continued at length. An adjournment was finally had with the understanding that there should be another reunion on the 27th. On this latter day the conference again assembled and, after again exchanging views, the conclusion was unanimously reached that, in view of the instructions which they had received from their respective governments, it would be useless for them longer to continue their efforts for the purpose of bringing about a peace.

Having exhausted upon our part all efforts to produce a desirable result, we were reluctantly compelled to the conclusion that a dissolution of the conference was unavoidable. Thereupon the conference was declared closed.

We have the honor to inclose herein protocols of the conference in Spanish, with English translations thereof, and to remain,

Very respectfully, &c.,

THOMAS A. OSBORN,
United States Minister to Chili.
I. P. CHRISTIANCY,
United States Minister to Peru.
CHARLES ADAMS,
Minister Resident to Bolivia.

[Inclosure 2 in No. 200.—Translation.]

Protocols of the Conference held between the plenipotentiaries of Bolivia, Chili, and Peru upon the mediation offered by the United States of America.

PROTOCOL No. 1.

On board of the North American corvette Lackawanna, in the Bay of Arica, on the twenty-second day of October, of the year one thousand eight hundred and eighty, the plenipotentiaries having met together, as follows:

For the Republic of Bolivia, his excellency Señor MARIANO BAPTISTA.

For the Republic of Chili, their excellencies Señores EULOGIO ALTAMIRANO, EUSEBIO LILLO, and Colonel Don JOSÉ FRANCISCO VERGARA, secretary of state in the departments of war and the navy.

For the Republic of Peru, their excellencies Señores ANTONIO ARENAS and AURELIO GARCÍA Y GARCÍA.

In presence of their excellencies the representatives of the Republic of the United States of North America, Mr. THOMAS A. OSBORN, accredited near the Government of Chili; Mr. ISAAC P. CHRISTIANCY, accredited near the Government of Peru, and General CHARLES ADAMS, accredited near the Government of Bolivia.

His excellency Mr. OSBORN, dean of the American ministers, stated that the three representatives of the United States had seen fit to appoint Mr. Charles S. Rand as their secretary and interpreter, and that he presumed that each legation had appointed one *ad hoc;* he begged, therefore, that if in the translations made by Mr. Rand, as interpreter, there should be observed the least inexactness, they would call attention thereto at once.

His excellency Mr. OSBORN then said that the representatives of the United States desired that the sessions of this conference should be opened with as little ceremony as may be compatible with the gravity of the occasion, and regard it as useless at this moment to enter into a consideration of the question as to the origin of the mediation proposed by the United States, or the priority of its suggestion; that it is very gratifying to record that the conference is an accomplished fact, as is attested to-day by the assembling here of the honorable members thereof; and it is hoped that it will enter upon its deliberations with an earnest purpose to bring about the high object for which it has been convened; that it is unnecessary to give assurances that the government and people of the United States feel a profound interest in the welfare of the three nations engaged in the present war; nor could it be otherwise, since the United States inaugurated republican government in America, and are, therefore, in a measure responsible for its existence here; that, having been the first to recognize the independence of these republics, they have watched with a careful eye, from that day till now, their efforts to keep pace with an advancing civilization, and have rejoiced in their progress and prosperity; that they feel that republican institutions are to-day on trial before the world, and that in bringing about a happy exit thereof all our nations here represented are equally interested; that it is but natural, therefore, that they should deeply deplore the existence of the present state of war, and should anxiously desire its termination; that it is this feeling which has inspired the present attitude of the United States, and it is the sincere hope of its government that ere this conference shall adjourn, an honorable and a lasting peace may be brought about; that the plenipotentiaries of the three republics are doubtless aware of the exact position occupied by the American representatives, yet it may not be superfluous to state that they do not propose to take any part whatever in the discussion of the questions which may come before the conference; that the bases upon which peace is to be reached are questions for the exclusive consideration of the plenipotentiaries; but that nevertheless, they are ready and willing to assist the negotiators with their friendly co-operation whenever the same may seem desirable. He closed, saying: "We beg you, gentlemen, we implore you, to labor earnestly to bring about a peace, and, in the name of our government, we hope that your efforts may be crowned with success."

Mr. OSBORN then declared that the presentation and exchange of credentials was in order, which having been proceeded with, they were found to be in good and due form.

His excellency Mr. BAPTISTA caused to be noted, in presenting the credentials of his colleague, his excellency Hon. Señor JUAN CRISÓSTOMO CARRILLO, plenipotentiary of Bolivia, that the latter was prevented from being present at this first session by serious illness caused by his being upon the sea.

Mr. OSBORN then declared the sessions of the conference open.

His excellency Mr. ALTAMIRANO said that, in his own name and that of his colleagues, he hastened to comply with the charge intrusted to him by his government, manifesting that the noble and disinterested efforts made by the most worthy representatives of the American Union to put an end to the sacrifices of war had awakened the gratitude of the government and people of Chili; and that, whatever might be the result of the conferences, and even although they should not result in the bringing about of peace, Chili could never ignore the magnitude of the service rendered; that he took pleasure in recognizing the exactness of the observation of Mr. OSBORN, when in justifying the interest manifested by the great nation of the north in her development and prosperity, he recalled the fact that she had been the first to recognize the independence of Chili, adding that the proceedings of to-day evidenced that the same noble policy continued exercising its beneficent influence upon these republics. Touching the grave question of the moment, he stated that circumstances rendered it an imperative duty to endeavor to bring about an immediate solution; that, seeking for the mode of procedure best calculated to secure this end, he had thought necessary to group together in a memorandum the propositions which, according to his instructions, should form the groundwork of the treaty, in order that their excellencies the representatives of Peru and Bolivia, after duly considering them, might indicate whether the discussion could be opened upon those bases; since, proceeding otherwise, the risk would be incurred of wasting time unnecessarily, since, even were the earlier difficulties overcome, there would be no security that the last might not prove insuperable; that if this form of procedure were adopted, one copy of the memorandum referred to would be placed in the hands of his excellency Mr. ARENAS, a second in the hands of his excellency Mr. BAPTISTA, and a third copy delivered to the worthy president of the conference.

Mr. ALTAMIRANO concluded, stating that the memorandum contained only the principal demands of his government; that, later, they might be presented in another form more adequate to figure as articles of a treaty, and that, opportunely, he would present for discussion other propositions which, while of importance, had not been included in the memorandum, since, in view of their character, they were not considered as offering insuperable difficulties.

His excellency Mr. ARENAS said that his first expression in the name of the Government of Peru was one of cordial gratitude to that of the Great American Republic for the friendly attitude it had assumed during the present war in the Pacific, and for the earnest endeavors made by it for the termination of the dissensions to-day separating three republics, at one time sisters; that the government and people of Peru will never forget the elevated policy and fraternal sentiments which, from the time of her independence till to-day, have prompted the international course of the United States; that in so far as relates to the representatives of Peru in these conferences, it is his duty to declare with frank sincerity that they have come here with the idea of obtaining peace, it being always understood that it be equally honorable for Peru, for Bolivia, and for Chili; that upon this ground they will treat with entire good faith, under the guidance of the principles of honor and of justice; that he entertained the hope of reaching a settlement; but should this not be attained, there would remain to the plenipotentiaries of Peru the satisfaction of having endeavored to re-establish harmony upon this continent; that he agrees with Señor ALTAMIRANO in believing that the points to be discussed should be clearly defined so as not to lose time in the examination of indeterminate questions, and in that sense accepts the form proposed for the proceedings to be followed, adding, however, that the propositions contained in the memorandum just presented by Mr. ALTAMIRANO, of the contents of which the representatives of Peru are unaware, should be the subject of careful and serious study, for which reason he does not think it would be proper to name at once the day for the next conference, and requests, in conclusion, that the necessary time be allowed him to study the matter, offering on his part to advise his excellency Mr. Osborn, so soon as the plenipotentiaries are ready, that he may be pleased to call a further session.

His excellency Mr. BAPTISTA said that he, in turn, felt the necessity of expressing the sentiments of his government and people; that the United States had, as it were, created and modeled the democratic institutions of South America, which from their birth had developed by their example; that the United States exerted a legitimate influence upon the signification and progress of their political life; it was not strange, therefore, that its government should intervene amicably, upon the first occasion

when, according to the accurate judgment of its representatives, these very institutions are put upon trial. In order to maintain them, the Government of Bolivia will join in negotiations for peace with sincerity, with no other limits in obtaining it than right and justice, interpreted not with the help of declamation but according to the reality of events as they present themselves. He believed that the belligerent governments would seriously seek this solution, and that the elevation of ideas and of character of their excellencies the plenipotentiaries was a guarantee of effective deliberations, which would seek inspiration, not in the ephemeral excitement of the political passions of the three nationalities, but in the real, permanent, and well considered interests of the countries they represented; that as regarded the proposition of his excellency Señor ALTAMIRANO, he understood that it was not a simple memorandum of questions, but a series of propositions; that only thus would the labors of the conference be facilitated; that in this sense he accepted the proposition.

His excellency Mr. CHRISTIANCY said that he had but few words to add to what had already been said by his colleague, Mr. OSBORN, the senior representative of the United States, and in which he fully concurred; that the United States having taken the lead in the establishment of republican institutions on this continent, that government and its people felt a deep interest in the peace and prosperity of all the South American republics and of their institutions, born under the influence of their initiative; that for these reasons they desired to do all in their power, through their good offices, to promote the peace and harmony of these States; that there were many other considerations which should exert a powerful influence upon the representatives of the three belligerent nations here assembled; that the people of all were descended from one common nationality, spoke the same language, possessed the same institutions, customs, and modes of thought, and professed the same religion, and that many of them were bound together by the dearest of family ties, and that, finally, from the high and distinguished character of the illustrious representatives chosen to take part in the present conference, he looked confidently for a favorable solution.

At the suggestion of his excellency Mr. OSBORN, announcing that everything relative to the mediators, or whatsoever might interest their government, should be under the charge of their secretary, it was agreed that the protocol of the conference should be drawn up by the secretaries of the several legations. His excellency Mr. ARENAS stated that the secretary for Peru was Dr. Mariano Nicolás Valcrácel. His excellency Mr. ALTAMIRANO presented Mr. Domingo Gana as secretary for Chili, and his excellency Mr. BAPTISTA, Mr. Felix Arelino Aramayo for Bolivia.

Before adjourning it was agreed that his excellency Mr. ARENAS should indicate through his excellency Mr. OSBORN a day for the second conference, so soon as he had studied the memorandum presented by his excellency Mr. ALTAMIRANO, and which it was agreed should be inserted in the present minutes, its tenor being as follows:

"*Memorandum of the essential conditions which Chili demands in order to arrive at a peace, presented by the Chilian plenipotentiaries in the conference held on board the United States ship Lackawanna, the 22d of October*, 1880.

"First. Cession to Chili of such territory of Peru and Bolivia as extends to the south of the valley of Camarones and to the west of the line of the Andean Cordillera which separates Peru and Bolivia, as far as the valley of the Chacarilla, and to the west also of a line which, being prolonged from this point, would strike the Argentine frontier, passing through the center of Lake Ascotan.

"Second. Payment to Chili by Peru and Bolivia jointly of the sum of twenty millions of dollars, four millions whereof are to be paid in cash

"Third. Return of the properties of which Chilian citizens in Peru and Bolivia have been despoiled.

"Fourth. Return of the transport Rimac.

"Fifth. Abrogation of the secret treaty made between Peru and Bolivia in the year 1873, leaving at the same time the steps taken to bring about a confederation between the two nations void and of no effect whatever.

"Sixth. Retention on the part of Chili of the territory of Moquegua, Tacna, and Arica, occupied by Chilian forces, until the obligations to which the preceding conditions refer have been complied with.

"Seventh. An obligation on the part of Peru not to fortify the port of Arica when it shall be given up to her, nor at any time, and an undertaking that in future it shall be an exclusively commercial port."

Whereupon the session adjourned at 1 o'clock p. m.

In witness whereof they signed.

M. BAPTISTA.
JUAN C. CARRILLO.
J. F. VERGARA.
E. ALTAMIRANO.
EUS. LILLO.
ANTO. ARENAS AURELIO GA. Y GARCÍA.
THOMAS A. OSBORN.
I. P. CHRISTIANCY.
CHARLES ADAMS.

F. AVELINO ARAMAYO,
Secretary of the Bolivian Legation.
DOMINGO GANA,
Secretary of the Plenipotentiaries of Chili.
M. N. VALCÁRCEL,
Secretary of the Plenipotentiaries of Peru.
CHARLES S. RAND,
Secretary and Interpreter of the Mediators.

PROTOCOL NO. 2.

[Translation.]

On board the North American corvette Lackawanna, in the Bay of Arica, the twenty-fifth day of October, one thousand eight hundred and eighty, all the plenipotentiaries having met together, viz:

On the part of Bolivia, their excellencies Señor MARIANO BAPTISTA and Señor JUAN CRISÓSTOMO CARRILLO;

On the part of Chili, their excellencies Señores JOSÉ FRANCISCO VERGARA, secretary of state in the departments of war and the navy, EULOGIO ALTAMIRANO, and EUSEBIO LILLO;

On the part of Peru, their excellencies Señores ANTONIO ARENAS and AURELIO GARCÍA Y GARCÍA;

In the presence of the representatives of the United States of North America, his excellency Mr. THOMAS A. OSBORN, accredited near the Government of Chili, his excellency Mr. ISAAC P. CHRISTIANCY, accredited near the Government of Peru, and his excellency General CHARLES ADAMS, accredited near the Government of Bolivia.

The session was declared open at 1 o'clock, p. m.

The minutes of the preceding session were read and approved.

His excellency Mr. OSBORN inquired in what form the minutes should be signed, and it was agreed that they should be signed by all the plenipotentiaries and by the three representatives of the United States. They consequently proceeded to sign four copies, one of which remained in the office of the secretary of their excellencies the mediating ministers, another was destined for Bolivia, the third for Chili, and the remaining one for Peru.

His excellency Señor ARÉNAS then stated that the representatives of Peru had carefully studied the document presented by his excellency Mr. ALTAMIRANO, in which he sets forth, in the name of his government, the conditions under which peace may be obtained; that he waived the consideration of the words forming the title of that document, because, although some of them appeared unacceptable, he believed they had been employed without preconceived design; nor would he allude to the causes which had brought about the war, nor to the reasons which have been adduced to justify it, since a discussion of these points would be barren under present circumstances, and would only tend to remove the discussion from that calmness with which it is desirable to treat the grave question which has given rise to this conference.

Mr. ARENAS said in regard to the conditions proposed by his excellency the plenipotentiary of Chili that they had produced upon him a painful impression, since they close the door upon any reasonable or tranquil discussion; that the first one, especially, is so insurmountable an obstacle in the way of pacific negotiation that it is equivalent to an intimation to proceed no farther; that Chili has obtained advantages in the present war, holding in military occupation in consequence thereof certain districts of Peruvian and Bolivian territory over which she had never claimed any

urisdiction, but having occupied them after various combats, she to-day believes herself transformed into the owner thereof, and that her military occupation is a title of dominion; that like doctrines certainly were sustained in other times and distant regions, but in Spanish America have not been invoked from the time of the independence down to the present time, having been considered incompatible with the tutelary bases of republican institutions; they lapsed beneath the powerful influence of the existing political system, and because they were highly dangerous for all South American republics.

Leaving these general considerations, which refer to the interests and tranquillity of the nations of this section of America, his excellency proceeded to examine the first of the conditions of peace presented by Chili, in its relation to Peru. The Republic of Peru, he said, by reason of its predominant ideas, the principles it professes, and the feelings animating all classes of society, is incapable of consenting to the seizure of any portion of her territory, and still less of that which to-day constitutes the principal source of her wealth. He was not unaware that nations, in the absence of a supreme judge who might settle their controversies, generally decide them upon the battle-field, the conqueror who has obtained the decisive victory (which is not the case in the present war) exacting that the party conquered, and without the means of continuing the struggle, shall yield to the demands which were the cause of hostilities; that in Peru these ideas are rooted in the public mind, being those professed and respected in republican America, and that he therefore believes, taking into consideration the present situation of the belligerents, a peace which was founded upon a cession of territory and a revival of the obsolete right of conquest would be an impossible peace; that even were the plenipotentiaries of Peru to accept and their government to ratify it—a supposition impossible to entertain—national sentiment would reject it and the continuation of the war be inevitable; that if the first condition be insisted upon, presenting it as indispensable in order to arrive at a settlement, all hope of peace must be relinquished, the efforts now being made become fruitless, with the prospect of new and disastrous hostilities before the belligerents; that, finally, the representatives of Peru deplore this result, not merely as patriots, but as Americans and as sincere friends of humanity. The fault cannot be imputed to them or to their government, since, if these negotiations fail, it will be through the influence of certain passions which have become inflamed so as to present as necessary the carrying on of a war of extermination, the consequences of which, if they be not measured to-day, will be suffered to-morrow.

His excellency Mr. ALTAMIRANO inquired if either of the representatives of Bolivia desired to add anything to the remarks of his excellency Mr. ARENAS, in order that his reply might embrace the joint expression of opinion of the allies.

His excellency Mr. BAPTISTA stated that he would prefer to hear the reply of one of the representatives of Chili to the plenipotentiary of Peru who had just spoken, after which he would manifest his views in regard to the rights of Bolivia.

His excellency Mr. ALTAMIRANO said that he found it difficult to describe the impression made upon him by the remarkable discourse of his excellency Mr. ARENAS. It is partly a painful one, since, after these utterances, all hope of a proximate peace seems vain, and yet it is to a certain extent grateful, since, as he hastens to acknowledge, he finds there all that clearness, all that firmness, all that honorable frankness which the statesman should employ when the honor and future of his country are in question.

For his own part, added his excellency Mr. ALTAMIRANO, he would proceed likewise to manifest the opinion of his government, which is in perfect harmony with that of his country, and would endeavor, in imitation of his excellency Mr. ARENAS, to express that opinion with perfect clearness and frankness.

In the first place, he declared that, in drawing up the memorandum, neither he nor his colleagues had the intention of employing any word which might appear unacceptable to their excellencies the representatives of Peru and Bolivia, and asked that a note be made of this manifestation. That paper was a simple memorandum, which, according to the intention of the first impulse, was not intended to figure among the documents of the conference.

Having made this declaration, which he trusted would be accepted, he would enter upon the principal question, as desired by his excellency Mr. BAPTISTA, and in so doing he would not swerve, for any consideration, from his firm intention not to contribute to leading the debate from proper limits. Keeping this end in view, he would not recall the origin and causes of this war, since it might bring up painful memories and recriminations; but would here place upon record that his government had sustained its lack of responsibility for events which have arrayed in arms three sister nations, and which cause the shedding to-day of the most precious blood of their children.

Chili, accepting the war as a painful necessity, threw herself into it without thinking of the sacrifices it imposed upon her, and in defending her rights and the honor of her flag, has sacrificed her dearest sons and spent her treasure without stint.

Such being the situation, her government has accepted with sincerity the idea of bringing the war to a close, always with the understanding that it be possible to attain a lasting peace, which shall compensate the sacrifices made, and permit Chili to return to labor, which is her existence. His government believes that to give these conditions to a peace, it is indispensable to advance her line of frontier. She would thus endeavor partly to compensate the great sacrifices made by the country, and insure the peace of the future. This demand is, for the Government of Chili, for the country, and for the plenipotentiaries who speak in her name, at this moment, indeclinable, because it is just.

The regions extending to the south of Camarones owe their present development and their progress entirely to Chilian labor and Chilian capital. The desert had been fertilized by the sweat of her laboring men before it was watered by the blood of her heroes.

To withdraw the authority and the flag of Chili from Camarones would be a cowardly abandonment of thousands of her citizens, and a return, with aggravation, to the old and untenable situation.

His excellency Señor ALTAMIRANO continued, saying that he could not conceive how his excellency Señor ARENAS could affirm that this pretension of Chili was in conflict with accepted principles and with established practice. The history of all modern wars contradicts his excellency and the examples of ratification of frontiers in America are numerous and belong to contemporaneous history. In the so-called conquest by Chili there is but one new phase, the fact that the territory in question, as he had stated a moment since, owes its present *status* to Chilian labor and enterprise.

I again repeat, Chili cannot withdraw her flag from that territory. The plenipotentiaries of Chili cannot sign any treaty so providing, or, should they sign it, their government and country would refuse their sanction.

His excellency Dr. ARENAS stated that he would not refute, point by point, the arguments of his excellency Señor ALTAMIRANO, since such refutation would be barren of results. Judging from the remarks he had just heard, Chili would not recede from her demands. There might be, nevertheless, in the opinion of his excellency, some means which, without compromising the future, might conduce to an honorable and permanent peace. He believed that the people of this continent have political and social affinities; that the animosities born of the momentary struggle are not to be eternal, and hence deduces the necessity for resolving this question with elevated judgment and abnegation of sentiment.

His excellency Mr. CHRISTIANCY suggested that, as the Chilian plenipotentiaries had submitted certain propositions to those of Peru and Bolivia, which had been combated in this conference, so, perhaps, the latter might in turn present a proposal or a series of proposals tending to reach a solution. It might thus appear, perhaps, that the differences are not so irreconcilable as at first they may seem, and a practical as well as favorable result be attained.

His excellency Señor BAPTISTA said: "The categorical declarations of his excellency Señor ALTAMIRANO appear to close the door to discussion. I appreciate, on the other hand, the frankness and courtesy with which he has proceeded. I will endeavor to keep pace with him in dignity of expression and clearness of reasoning. Let my words, therefore, if of no higher worth, be taken as the expression of our opinions. Their object is twofold; the one will be the collective statement of our views, the other, and individual utterance of my own.

"We, the plenipotentiaries of Bolivia, find ourselves in perfect accord with the explicit declarations of his excellency Señor ARENAS upon the fundamental point of the acquisition of territory, be it called advance, cession, compensation, or conquest, and we so think, inspired by the origin and development of the political life of our America. We obey that first impulse which fifty years ago launched her upon her well-marked and hitherto unchecked career. There was error, perhaps, in not strictly obeying, from the beginning, the direction which a true appreciation of the future of the continent imposed upon our statesmen. Children of a common parent, mingling in one common mode of life, nourished by the same blood, bound by the same religion, animated by that bulwark handed down from the mother country, and the only one she saved in her decadence, the municipality; divided at most in local sections, it seems that the expansion of public life among us ought to have been more in common, more reciprocal, and more united. This was demonstrated by the undivided achievement of our independence, in which we labored as one family, without distinction of flag, pressing onward from La Plata, mingled in Chili, grouped together as a single, army in Upper and Lower Peru. In the hour of our emancipation it would seem, therefore, that we ought to have constituted ourselves into one grand autonomy, sectionally divided, instead of breaking it up into jealous nationalities, which, thanks to those artificial combinations, might become hostile. So felt our great men, and they early endeavored to lead us back to our primitive source of expansion. But their efforts, from the time of Bolivar, have been by means of ineffectual decrees and declarations, which, so far as they influenced our real life, went no further than mere

aspirations. The men of forethought then considered that the desired reactions should be sought through other methods, more practical and more applicable to designs so vast. To endeavor to unite, successively and gradually, our different nationalities by the inducements of their mutual interests, to unify their economic and fiscal systems, to advance gradually by compacts that should draw us still more closely together, these were the aim and object of every truly American thought and sentiment. So my government understood it, and with this object in view it endeavored to develop its national policy in the treaty of alliance which unites it with the people of Peru. It is to be regretted that the unexpected and violent nature of subsequent events should have falsified the true and natural commentary of that treaty. Intrinsically considered, properly studied, it was nothing more than a first agreement, the initial basis of American solidarity. It signifies peace on the frontiers, an open stipulation so that all might intervene to satisfy this first necessity. The Argentine Republic was invited, and in the counsels of my country it was then thought most natural and most proper to tender a similar invitation to the Republic of Chili.

"Another movement, notable in both republics, that of confederation, has the same motives and tends to satisfy the same needs. For this, there are in Bolivia two parties, which for a moment differed upon the question of method, but finally agreed to reject all tumultuous action, all appeal to popular clamor, leaving to the public conscience, prudently ascertained, to the criterion of the people, tranquilly consulted, the study and the acceptance of the new project, the discussion of which should be far removed from the warlike atmosphere now surrounding us and transferred with studious calm to its proper region, that of peace, since by its very nature it cannot be an instrument of war, but rather a pledge of successive conciliations. This is not a digression, but a necessary antecedent to the considerations which follow. We are passing through a crisis which tends to turn us aside from these special precedents, and from that historical current which should mold and influence the traits peculiar to our American life. One great deviation, until now unique, was that of Paraguay, which has dazzled the political conscience of some statesmen. America may perhaps be unable to resist a second and more extensive example. She would oscillate in her career irremediably. Let us not place in her bosom a perpetual source of uneasiness. Let us not station on the frontiers of her republics watchful and jealous powers, each mistrustful of the other, and absorbing, for their constantly increasing land and naval armaments, the very life blood of the country. Our legitimate expansion, that to which we have a natural right, is that of trade, of communication, of the employment of capital, in all of which the most powerful nation will best succeed. As conquerors and conquered, we should equally suffer from an abnormal condition of affairs, which would leave for the one the sullen labor of revenge, and for the other the sterile and costly task of preventing it. The reasons given by Mr. ALTAMIRANO, to justify the necessity of his first condition, would be more than satisfied by the study of another proposition, which I beg to present as a simple personal indication of my own. I declare frankly that the natural results of success should be recognized and accepted. In the course of this campaign the advantages are on the side of Chili. Let us shape our action according to the requirements of the events of the war as they have occurred. It may, therefore, be assumed that the payment of an indemnity to Chili would be just. Let her retain the territory occupied as security, and let proper measures be taken to satisfy the demands which could justly be made against us out of the revenue derived from the same territory. This course could protect and guarantee the interests of all, and might be supplemented by other measures, which should insure satisfactorily the property and enterprises of Chili.

We are in perfect harmony with his excellency Señor ARENAS in recognizing and respecting the elevated intention prompting his excellency Señor ALTAMIRANO in the drawing up of his propositions. The ambiguous meaning of certain expressions, such as those of essential conditions which Chili demands, which at first sight seemed to bar the entrance to a free discussion among the plenipotentiaries, disappears before his loyal explanation. I repeat, there is no reason to dwell a moment longer upon this incident. To sum up, we do not accept the appropriation of the territory as a simple result of belligerent acts, whatever the name to the seizure. But I yet hope that a ground of discussion may present itself, whereon conciliatory measures may find room."

His excellency Señor ALTAMIRANO observed that he found himself obliged to return to the discussion, since he could not permit the remarks of his excellency Señor BAPTISTA to pass unnoticed. In his eloquent discourse, and defending the policy of the government of his country, his excellency has presented the treaty, which, in 1873, united Bolivia and Peru with a common purpose, as a frank and honest manifestation of the earnest effort of Bolivia to bring more closely together these nations, now unfortunately at variance, and states that they should march together, recalling the fact that they made the campaign of independence side by side, and that the destiny awaiting them in the future is the same. His excellency Señor ALTAMIRANO added that he recognized the astonishing ability with which his excellency Señor BAPTISTA in his

discourse upon the signification and reach of the treaty of 1873, had avoided the shoals; but his excellency will permit him, without qualifying that act of international policy, and without recalling the intent concealed between the lines of its text, to here enter protest and again repeat with his government that in that compact is to be found the justification of the attitude of Chili and her demands. For the rest, he joins with enthusiasm in the noble and elevated views of his excellency the plenipotentiary of Bolivia, when he asks for these countries that union which is strength, and in the future will be the only source of their greatness and of the world's respect.

But, speaking in the presence of Americans, the representatives of Chili do not need to recall the earnest efforts of their government, nor what offerings or of what value, those she has laid upon the altar of American union and fraternity. Far less is this required in the presence of eminent Peruvians and Bolivians, who know the history of their country, since they themselves have helped to make it.

The representatives of Chili may rest tranquilly therefore; neither their government nor their country can be accused of employing a policy of hatred, nor of seeking her aggrandizement in the ruin of those she had called her brethren.

The solutions to this question are not infinite. There are, perhaps, but two; that indicated by Chili, and that which his excellency Señor BAPTISTA has been pleased to suggest. If the plenipotentiary of Chili declared for his part in the first conference that the condition proposed was indeclinable, and now repeats it, it was because his government considers the second combination deficient and inacceptable.

It is sad, he observed in conclusion, to have to resist appeals such as those which have just been made to us by their excellencies Messrs. ARENAS and BAPTISTA, but if the extension of the frontier be an insuperable obstacle to peace, Chili cannot, ought not, to remove that obstacle.

His excellency Señor GARCÍA Y GARCÍA stated that he would not have uttered a single word after the brilliant efforts of his colleagues, their excellencies Señores ARENAS and BAPTISTA, who have so fully gone over the ground in defense of the unquestionable rights of Peru and Bolivia, if certain doctrines developed by his excellency Señor ALTAMIRANO had not rendered necessary a rectification, demanded by the prestige of America, and which, derived from her history and her traditions, exhibits the sentiments of Peru and her loyal international policy in all epochs. At the same time his excellency will endeavor to develop an idea already put forth, offering the clearest evidence of the spirit of justice with which he has come to these conferences.

He had given profound attention, said his excellency Señor GARCÍA Y GARCÍA, to the remarks of his excellency Mr. OSBORN, when, in the inaugural session, he said that the Government of the United States was to a certain extent responsible before the world in regard to the republics of the new continent, derived from the political principles and system of government which the former had implanted by their example, and which, under no circumstances, should be allowed to fall into discredit. These fraternal declarations are doubtless founded upon that great principle, uttered as a notification in the face of the world by one of the most illustrious Presidents of the Union, and practically maintained by all of his worthy successors. "America for the Americans," exclaimed President Monroe upon a solemn occasion, and in framing that immortal sentence he established the foundations of the new American public law, which, destroying all hope of usurpation, banished forever from the new continent those lords of divine right so well schooled to conquest as the surest means of expanding their territory. Hence it follows, since right and justice are one, and equally applicable abroad and at home, that the right of territorial sovereignty in America can only be voided by the spontaneous consent of nations, ratified by the approbation of the respective peoples. If, unfortunately, these prudent maxims be disregarded or violated, there would be at once sown broadcast the seeds of interminable dissensions, like those which with frequency occur on the old continent, and which would compel each State, as his excellency Señor BAPTISTA has well said, to maintain those immense armies and navies, the insatiable guardians of what they are pleased to call "armed peace or European equilibrium," which are nothing more than the precautions taken by each to avoid being dismembered or absorbed by the other, his neighbor.

Peru does not boast of her observance of these principles, nor has she awakened to them in consequence of the reverses suffered by her during the present war. This was her invariable course when, having been provoked into a rash and inconsiderate war in 1858, she held sway with her then powerful fleet over the entire Ecuadorian coast and adjacent islands, and occupied with her army the flourishing province of Guayaquil. How tempting the opportunity for an ambitious state. Nothing was easier than to have held permanent possession of that rich naval station, which would have been of such utility to Peru; but her interest gave way before her respect for the territorial integrity of nations constituted at the birth of republican America; and it is well known, your excellencies will remember, that once satisfied. and leaving many benefits behind, Peru abandoned those shores, without carrying with her even a sample of their sands.

Nor is it possible for his excellency Señor GARCÍA Y GARCÍA, as he desires to place

upon record, to pass over in silence one of the reasons given by his excellency Señor ALTAMIRANO as a singular title for the dominion which Chili seeks to establish over the territory of Tarapaca. He remembers that his excellency the plenipotentiary of Chili maintained that the entire population of that province being Chilian, and the capital and labor employed in its establishments being likewise Chilian, therefore to them belongs possession of the territory.

While his excellency Señor GARCÍA waves the consideration of the extension of "entire," as employed by his excellency Señor ALTAMIRANO, since, as the expression is totally at variance with the facts, he cannot believe that he would pretend to sustain it, nor that such was his intention, he cannot restrain the natural expression of his surprise at hearing reasoning so remarkable from one whose profound learning and elevated political stature render him a figure in American history he has ever contemplated with admiration. But his astonishment is greater upon reflecting that such views have been uttered in the presence of their excellencies, the three mediating ministers, whose great nation owes its immense development precisely to the foreign capital and labor which daily flow to its shores.

"With what hilarity," he exclaimed, "would be received in the political circles of Washington, the doctrine that should assert the right of Prince Bismarck to annex some of the newer Western States to the German Empire, the bulk of their population being German; or that Her Majesty Queen Victoria could, under like title, take possession of New York, a large portion of the inhabitants whereof are Irishmen!"

Having thus brought to mind the political principles briefly alluded to, and which are the only sure foundations of peace in America, having mentioned the historical fact, to which allusion has just been made, and to which other similar historical data are not added, for the sake of brevity, he added that he applauded the rectitude of views in which his excellency Señor BAPTISTA abounded, nor could it be otherwise; but deeming it indispensable to give to those ideas a tangible form, as it were, that shall carry conviction of our good faith to those dispassionate observers who are contemplating these republics: that shall satisfy our common decorum, and silence the exaggerations that may arise in our respective countries, he proposes that all the points of these differences to which his excellency Señor BAPTISTA has alluded, and which shall be detailed in posterior discussions, be submitted to the arbitration without appeal of the Government of the United States of America, called to that high position by their elevated morality, their position on the continent, and the spirit of concord manifested impartially in favor of all the belligerent nations here represented.

His excellency Señor ARENAS added, seconding the views of his excellency Señor GARCÍA Y GARCÍA, that the arbitration proposed is the most practical and decorous solution that could be reached, abandoning thus the crooked paths trodden by these countries since the war began. He begged, once and again, their excellencies the representatives of Chili to ponder and meditate upon the direful consequences of a contrary determination.

His excellency Mr. VERGARA said that it was not his intention in taking the floor to follow his excellency Señor GARCÍA Y GARCÍA through the various points of the argument to which he had just listened. He would confine himself to the proposal of arbitration which had been presented for debate, in order to declare peremptorily in the name of his government and in that of his colleagues that he does not accept it, in any form whatever. Chili has always professed a decided preference for this rational and equitable mode of procedure for the settlement of international questions, considering it as most in conformity with the tendencies of modern civilization, as well as the most suitable to her own. She has furnished evidence of this in all her disagreements with other nations, and very specially in the question which has brought about the present war. Before taking up arms and appealing to force, she repeatedly proposed to lay before an arbiter the settlement of the difficulty. Her voice was unheard, and she found herself unwillingly dragged into war.

Launched upon this course, which has demanded enormous efforts and sacrifices, Chili has succeeded, through the repeated triumphs of her arms, in placing herself in a position of vantage permitting her to demand a peace, guaranteeing the future and compensating the injuries she has received and the sacrifices imposed upon her. As she has incurred all the risks of war, exposing herself to the disastrous consequences of reverses of fortune, so also should she enjoy her unquestionable right to profit by the advantages given her by their successful result. Chili seeks an enduring peace, which shall consult both her present and future interests, which shall be proportioned to the elements and power she possesses to obtain it, to the labor already performed, and to well-founded national aspirations. This peace she will negotiate directly with her adversaries when they accept the conditions she deems necessary for her security, and there is no reason whatever why she should deliver up to other hands, honorable and secure as they may be, the decision of her destinies. For these reasons she declares that she rejects the proposed arbitration.

His excellency Señor LILLO said that he had not expected to have addressed this solemn conference, but the proposal of arbitration presented by his excellency Señor

GARCÍA Y GARCÍA compelled him to forego his intention. He believed it his duty to fully indorse the rejection of that proposal already manifested by his honorable colleague, Señor VERGARA.

He understood and accepted arbitration when it was desired to avoid a war. This is the most worthy, the nobler course, harmonizing best with the principles of civilization and fraternity which should guide enlightened nations, and more especially those who by their antecedents and intimate relations form a single family; but arbitration has its opportune moment, and this, for the negotiations of peace which occupy us to-day, has unfortunately passed.

Arbitration, after the struggle and after the victory, cannot be a solution acceptable to Chili. What could she ask of the arbiter? That he value the sacrifices made by Chili in a war to which she had been provoked? That he estimate the price of the blood of her sons? That he calculate the indemnity due to her efforts? That he foresee all that would be required in the future, so that she should not be under the painful necessity of having again to take up arms in defense of her rights and her tranquillity?

Solutions to questions like these, after costly and sanguinary victories, can and ought only to be given by the nation which has crowned such sacrifices by success.

His excellency one of the plenipotentiaries of Bolivia has invoked American fraternity, and the necessity of not causing antecedents to figure in the settlement of this contest which might establish in the public law of these countries the idea of conquest. The speaker accepted and applauded the sentiments of fraternity alluded to, but war will be more difficult in the future in proportion as the sacrifices it imposes are greater for those who attempt to provoke it.

Chili neither desires nor will she ever consent to establish the right of conquest. What she asks is a just compensation for her sacrifices in this fatal struggle, and protection to communities essentially Chilian, who would not accept the fact of their abandonment, since they live and flourish to-day under the shadow of her flag.

Cession of territory, after great advantages obtained in war, is a fact which has frequently occurred in republican America in modern times. Nations which have so acted have had no reason to repent, since, while seeking just compensation for their efforts, they carried wealth and progress to the regions surrendered to them.

Arbitration, and arbitration at the hands of the great nation, model of republican institutions, will be always accepted by Chili with the applause of the people; but the opportune moment has gone by, and to accept it, under present circumstances, would be, for Chili, an act of vacillation and of weakness.

He understood that the plan proposed by his excellency Señor BAPTISTA might be taken into consideration. According to it, Chili would fix her war indemnity and her conditions, retaining possession of the Peruvian territory now occupied by her arms, as a guarantee, until she should receive the satisfaction of her demands. He repeats that he understands this solution, but it is not that which the instructions of their government impose upon them, and although personally he thinks these indications worthy of consideration, he is compelled to remain within the limits of the instructions received.

His excellency Mr. CARRILLO said:

"The grave and positive declarations which have been made in regard to the principal proposition presented are calculated to almost extinguish the hope of a peaceful arrangement. Nevertheless, the idea is so grand, so great the interest of the questions submitted to the deliberations of this honorable assembly of plenipotentiaries, that I deem it indispensable to endeavor, if possible, yet to find a formula of acceptable solution, which if not immediately considered, as being irreconcilable with existing instructions, might be submitted by their excellencies, the plenipotentiaries, to their respective governments.

"Arbitration has just been proposed, and in this highly conciliatory measure may perhaps be found a peaceful solution.

"We cannot ignore that the deliberations of the present conference attract, at this moment, the attention of the civilized world. Here is to be decided, not only the fate and future of the three republics, but the great interests of America. The precedents for the new public law of South America are about to be established, a legislation which, from the especial character of its conditions, cannot but diverge from European doctrines. There the traditions of predominence, the diversity and tendency of races to unification, maintain a permanent struggle between the past and progress. Europe, in spite of her noble aspirations, still finds herself confined within a circle of iron from which she cannot escape. In the meanwhile America, formed of peoples ushered into political life by their own exertions, and established under identical institutions, knows no other tradition than that of having struggled against conquest and against the mastery of force, from which she has separated forever. With her, wars of preponderance have no reason to exist, and even the practices of war must become less disastrous and cruel.

"Thus international disagreements, however grave, between nations closely bound

by their origin and common destiny, should in preference be settled by conciliatory methods, such as the proposed arbitration. Arbitration, your excellencies, as an honorable expedient, is the supreme aspiration of nations, and there is no question, however grave and difficult, that cannot, by this means, reach a most satisfactory result.

"The only objection that has been urged against abitration consists in that, in the opinion of his excellency Señor LILLO, the Republic of Chili cannot permit that a third party estimate the price of the blood of her sons, or the value of her sacrifices. I fail to find sufficient solidity in this reasoning. The very expression, 'estimate the price of blood,' is not in my opinion the most proper. The arbitrator, in his high impartiality, would appreciate the demands of the Government of Chili, with due reference to her sacrifices, to the blood shed and to the advantages obtained, up to the present, in the field. If these demands are just, if the blood that has been shed confers upon a belligerent the right to obtain concessions, if the securing of peace requires sacrifices from the other states, even to the modification of their international frontiers, and if all this is in conformity with the rights of war, the friendly power, constituted by common confidence into a tribunal of arbitration, will so decide; its award will consult that which is most equitable, most proper for the establishment of a lasting peace. If this procedure is worthy of all concerned, there is no reason to doubt that the arbitrator would consult the interest of Chili, in the state in which the war is at this moment. This decision would come out from the sacred regions of impartiality, it would be the calm expression emanating from justice, and would bring with it reconciliation and true peace, entirely honorable for Chili and acceptable without humiliation by the other republics.

"If the arbitral award should prove adverse to the interests of Bolivia and of Peru, and should declare the necessity of territorial concessions, the allied republics, even in this case, would bow to this decision in homage to this supreme tribunal of nations.

"For the first time and at the expiration of more than a year of war, too protracted for young republics who are sacrificing their population and their resources, has the voice of reason instead of force, for the decision of the question of the Pacific, been raised by an American nation. The only expedient remaining is arbitration; through it American interests and republican institutions may yet be saved.

"From the midst of Europe, where international boundaries are frequently changed in contradiction to the progress of right; where a race or a power rules over another to-day, to be in turn perturbed to-morrow; from there the brightest minds, the profoundest thinkers, contemplate America as the true country of the justice, the equality, and the fraternity of nations. From that continent is sent forth the brilliant light of progress and justice to find unobstructed realization in America.

"Will the Republic of Chili, which has attained, earlier than the rest, remarkable progress, and which is consequently called upon to march in the van of this movement, introduce into the policy of America the practices imposed upon Europe for reasons adverse to progress?

"I recall another argument against arbitration, 'that it could only be accepted before war.' Arbitration, your excellencies, which reconciles all differences, is acceptable, in my judgment, at the outset of a war, to prevent it, during its course, to stop its ravages, and up to the close of the contest, in honor of the victor, who should have the wise foresight to leave the declaration of conditions to the arbitration of a respected neutral power. Victory would thus insure her advantages, and achieve peace without the hatred of the vanquished.

"Moreover, international arbitration is distinct from that employed in questions of private interest. In these the judge confines himself to the decision of the original question, its conditions remaining unaltered. International disagreements are appreciated and decided with all amplitude, and according to the condition of the parties or the belligerents, and in conformity to the rights derived from the war.

"The proposition of my colleague, his excellency Señor BAPTISTA, has been expressed as his private opinion; for my own part, I indorse it, and am persuaded that, for the sake of great international interests, it will be approved by the government of my country. I renew it therefore in this form: '*Statu quo* of the territory occupied by the forces of Chili, pending the decision of the tribunal of arbitration proposed upon all points in dispute;' a solution frank and American.

"Before concluding, I deem it opportune to state that when the respected mediation of the most excellent Government of the United States of America was offered to Bolivia, my government, as well as public opinion, felt satisfied that peace would result; for that mediation was accompanied by another word—arbitration—which signifies justice and honor for all, humiliation to none.

"In this persuasion, and with a policy of frankness, the Bolivian plenipotentiaries have come to this conference."

His excellency Mr. OSBORN remarked that it seemed proper to him, as well as to his colleagues, to place upon record that the Government of the United States does not seek the position of arbiter in this question. A strict compliance with the duties inherent to that position would involve much trouble and great labor, and while he

could not doubt that his government would accept the position if duly requested to do so, it was nevertheless proper that it be understood that its representatives did not court that distinction.

His excellency Señor ALTAMIRANO stated that, after the brilliant argument just made by his excellency Señor CARRILLO, in favor of the abitration proposed by his excellency Señor GARCÍA Y GARÇFA, he is compelled to once more weary the conference with his remarks:

It is very painful for him and for his colleagues, and doubtless will be for his government, to refuse a proposal for arbitration; to decline to accept a judge so highly placed and so nobly inspired as the Government of the United States.

It is necessary, therefore, to clearly establish that arbitration is the standard which Chili has invariably raised in her international questions, and it is, above all, necessary to remember that, in order to avoid this sanguinary war, she also offered to appeal to judges before drawing the sword. That was the moment, and it is most deplorable that her offer was not accepted.

According to his excellency Señor CARRILLO, if this conference should close with the acceptance of arbitration it would be an epoch of glory for America, and a just, lofty, and noble policy would be inaugurated for the future.

His excellency Mr. ALTAMIRANO concurred with his excellency in the desire to see arbitration elevated to the position of the sole and obligatory method of deciding differences between nations; but if it were in the present instance accepted by the plenipotentiaries of Chili, they would be justly accused and justly condemned at home as guilty of desertion from duty, and almost of treason to the clearest rights and interests of their country.

He warmly indorses his colleagues, therefore, in their rejection of the proposal of his excellency Señor GARCÍA Y GARCÍA, and would here conclude were it not that he must address a single word to that honorable gentleman.

His excellency Señor GARCÍA Y GARCÍA rejecting indignantly, in the name of civilization, the principle of conquest invoked by Chili, has reminded us that Peru, when victorious in Guayaquil, withdrew without carrying away a grain of her sands, and leaving behind her the memory of many benefits.

Señor ALTAMIRANO does not propose to give a course of history, since for his part he does not wish that the tone of these discussions, hitherto calm and dignified, should be changed by any act of his; but should he do so, he might find examples of rectifications of boundary, perhaps of the very line separating Peru from Ecuador; but this would be useless, and after the declarations made, would lead to nothing.

His excellency Mr. OSBORN inquired whether any one of those present desired to take the floor, and no one expressing a wish to do so, declared the conference adjourned until Wednesday, the 27th, at 12 o'clock noon, and the session closed at 4 p. m.

M. BAPTISTA.
JUAN C. CARRILLO.
J. F. VERGARA.
E. ALTAMIRANO.
EUS. LILLO.
ANTONIO ARENAS.
AURELIO GARCÍA Y GARCÍA.
THOMAS A. OSBORN.
I. P. CHRISTIANCY.
CHARLES ADAMS.

F. AVELINO ARAMAYO,
Secretary of the Bolivian Legation.
DOMINGO GANA,
Secretary of the Plenipotentiaries of Chili.
M. N. VALDÁRCEL,
Secretary of the Plenipotentiaries of Peru.
CHARLES S. RAND,
Secretary and Interpreter of the Mediators.

PROTOCOL No. 3.

[Translation:]

On board of the North American corvette Lackawanna, in the bay of Arica, on the twenty-seventh day of October, 1880, all the plenipotentiaries having met together, viz:

On the part of Bolivia, their excellencies Dr. D. MARIANO BAPTISTA and Dr. Don JUAN CRISÓSTOMO CARRILLO.

On the part of Chili, their excellencies Señores D. JOSÉ FRANCISCO VERGARA, secretary of state in the departments of war and the navy, D. EULOGIO ALTAMIRANO, and D. EUSEBIO LILLO.

On the part of Perú, their excellencies Dr. D. ANTONIO ARENAS and D. AURELIO GARCÍA Y GARCÍA.

In the presence of their excellencies, the mediating ministers of the United States of America, THOMAS A. OSBORN, esq., ISAAC P. CHRISTIANCY, esq., and General CHARLES ADAMS.

His excellency Mr. OSBORN expressed his thanks to their excellencies the plenipotentiaries for their presence, and his hope that the time which had elapsed since the preceding session may have allowed them to discover some means of arranging existing difficulties.

He then declared the conference open.

The minutes of the preceding meeting were read and approved.

Mr. OSBORN then signified his readiness to hear any suggestions that it might be thought proper to make.

He then addressed himself to each one of their excellencies the plenipotentiaries of Chili, asking him if he had anything to observe in relation to the matters under discussion. Their excellencies the plenipotentiaries of Chili stated that in conformity to their instructions it was impossible for them to make any modification whatever in the condition laid down.

His excellency Mr. OSBORN then invited each one of their excellencies the plenipotentiaries of Peru to manifest, if so disposed, their ideas upon the subject. Their excellencies the plenipotentiaries of Peru declared, in reply, that as Chili insisted upon the maintaining of the first condition, and the arbitration proposed by them not having been accepted, it was impossible for them to go into an examination of the other conditions; that every door had been closed to them, and the continuation of the war rendered necessary; and that the responsibility of its consequences must not rest upon Perú, who had indicated a decorous means of reaching peace.

His excellency Mr. OSBORN invited in turn, their excellencies the plenipotentiaries of Bolivia to make known their ideas, and they stated that for their part they considered the situation to be clearly and sharply defined. There is one condition, the first presented by their excellencies the plenipotentiaries of Chili, as indeclinable, which the allies cannot accept. There is another, that of arbitration, suggested by their excellencies the plenipotentiaries of the allied republics and rejected by those of Chili; and there is finally a third, which has been proposed separately by the representatives of Bolivia, but which has not been taken into consideration. They consider, in view of this result, that the negotiation has reached its close, and regret that the political situation of the respective countries should not have permitted a common agreement to have been reached.

His excellency Mr. OSBORN declared that he and his colleagues profoundly lament that the conference should not have yielded the pacific and conciliatory results hoped from it, and believe that the same impression will be made upon the government and people of the United States when the fact is communicated to them that the friendly mediation of the United States has been fruitless.

He therefore declared the conference closed, in witness whereof they signed.

M. BAPTISTA.
JUAN C. CARRILLO.
J. F. VERGARA.
E. ALTAMIRANO.
EUS. LILLO.
ANTONIO ARENAS.
AURELIO GARCÍA Y GARCÍA.
THOMAS A. OSBORN.
I. P. CHRISTIANCY.
CHARLES ADAMS.

F. AVELINO ARAMAYO,
Secretary of the Bolivian Legation.
DOMINGO GANA,
Secretary of the Plenipotentiaries of Chili.
M. N. VALCÁRCEL,
Secretary of the Plenipotentiaries of Peru.
CHARLES S. RAND,
Secretary and Interpreter of the Mediators.

No. 286.

Mr. Christiancy to Mr. Evarts.

No. 202.] LEGATION OF THE UNITED STATES,
Lima, Peru, November 2, 1880. (Received December 6.)

SIR: I deem it proper to explain to you the causes of my sending you the telegrams of the 28th October from Arica and that of November 1 from here, and the facts and circumstances under which they were sent.

When the conferences at Arica had completely failed, on the 27th October I proposed to Mr. Osborn (who was the senior minister of the United States, who had presided at the conferences) that he should telegraph to you, not only the fact that the conferences had failed, but that the two points of disagreement which lead to that disagreement, viz, the refusal of Peru to cede Tarapaca and the rejection by Chili of the arbitration of the United States. He seemed to be particularly anxious to avoid telegraphing that Chili had refused the arbitration of the United States, and declared that he should only telegraph you that "the conference had ended without result." I then informed him that I thought it proper to let you know the points of difference which caused the failure to agree, and that I proposed to telegraph that Peru refused to cede Tarapaca and Chili rejected the proposed arbitration of the United States. Upon the last point Mr. Osborn, I thought, seemed to be peculiarly sensitive and very unwilling that it should be announced that Chili had rejected the arbitration of the United States.

Supposing that he would telegraph as he had proposed, I prepared a dispatch in the following words, which I thought would supplement his, viz: "Peru refuses Tarapaca; Chili refuses arbitration of the United States."

But when I found that it would cost nearly $200 to send it, I hesitated, thinking you might deem it unnecessary after Mr. Osborn's dispatch. But on consulting the Peruvian negotiators they thought it very important that my dispatch should be sent, and offered to pay the expense. I therefore sent it, and they paid the expense, $100 in silver and $66.66 in gold.

After arriving here the Peruvian Government, believing that my dispatch from Arica had probably been suppressed in Chili, through which it had to pass, wished me to telegraph to you via Panama, they paying the expense. I therefore telegraphed you from here November 1 to same effect via Panama, to be sent there by mail from here, Peru paying the expense.

I have, &c.,

I. P. CHRISTIANCY.

No. 287.

Mr. Christiancy to Mr. Evarts.

No. 204.] LEGATION OF THE UNITED STATES,
Lima, Peru, November 5, 1880. (Received December 17.)

SIR: Referring to my dispatch No. 200, which was written in great haste to be got off to Chimbote by steamer Adams, I notice that I omitted one fact which it may be important for you to understand.

The basis of negotiations, so far as related to the acquisition of territory by Chili, as foreshadowed by Mr. Baptista, viz, that a certain sum should be agreed upon as due to Chili for the expenses of the war, and that Chili should retain the possession of the whole or a part of the territory now in her possession as security for the payment of that sum, seemed to me to offer the only light out of the dead-lock in which the parties found themselves. I therefore urged upon the Peruvian plenipotentiaries that they should make a proposition upon this basis. I was, in reply, told by them that they would have been quite willing to do so if they had not been precluded by the positive declaration of the Chilian plenipotentiaries that no such proposition could be entertained, but that the unqualified acceptance of their first proposition was an indispensable condition to all further attempts at negotiation. And this being the fact, as appears by the protocols, I could not urge them further to make such a proposition.

I am, &c.,

I. P. CHRISTIANCY.

No. 288.

Mr. Calderon to Mr. Evarts.

[Translation.]

DEPARTMENT OF FOREIGN RELATIONS AND WORSHIP,
Lima, November 5, 1880. (Received December 21.)

It is proper that it should be known to America and to the world at large who is responsible for the great perturbation which the present war on the Pacific coast has brought upon this continent, causing, at the same time, incalculable injury to the industry and commerce of all nations with which we are on terms of friendship; it is proper that it should be clearly established upon whom rests the responsibility for the bloodshed and for the suffering which, in a sphere far above that of material interest, has been originated, and will continue to be so, for Heaven knows how long, by the wicked war into which we have been forced, without being influenced ourselves by ambition of any kind, or by any selfish motive whatever: it is proper that our friends should know how great was the self-abnegation manifested by us when an opportunity of seeking justice through peaceful channels was offered, and how arrogant and treacherous was the attitude assumed by our adversaries, who never did, and do not now, entertain any design, save the realization of a preconceived plan for their own aggrandizement at the expense, and in derogation of the honor of others.

I have already had the honor directly to inform your excellency how a question relative to the boundary between the Republic of Chili and that of Bolivia, our ally, was the sole cause of the war on the Pacific coast. Chili has now made known with her own mouth (as your excellency will see by the copy which accompanies this circular), in all its monstrous proportions, what she so long and so obstinately denied, viz, that the real cause of her conduct in her differences with Bolivia has been no other than that which I have just stated; and she has revealed to us at the same time the astounding advances that she has made in her ambitious views.

These are, indeed, the result of a morbid condition and of the febrile delirium to which great passions lead when not checked in time, yet this delirium is occasioning the greatest disasters in this portion of America, and is a presage of the most serious dangers in the future.

It is important, therefore, that it should be denounced before the community of civilized nations, and it is high time that it should receive an exemplary check.

The inclosed memorandum,* which was presented at the conference held at Arica, by the plenipotentiaries of Chili, as a recapitulation of the conditions deemed essential to the restoration of peace, is a concise statement, which cannot be disavowed by our enemies, of their real views and purposes in this war.

I beg your excellency, as the duty is a somewhat important one, to permit me to point out, to the best of my ability, the moral deformity which these conditions indicate.

The first is "*the cession to Chili of the territories of Peru and Bolivia, which extend to the south of the Camarones Valley, and to the west of the line which separates Peru from Bolivia in the Andes Mountains, to the Chacarilla Valley, and also to the west of a line extending from the latter point to the Argentine frontier, passing through the center of Lake Ascotan.*"

The demands which Chili makes of the allies are by no means small. Peru has even more reason than Bolivia to be astonished at their magnitude, because, after all, she never had, and never could have any dispute with the common enemy concerning boundaries, nor did Chili ever, either before the war or after it had been declared, raise any claim that Peru was her debtor.

When one looks on the map of the two republics (whose dismemberment Chili so coolly demands), at the portion of territory belonging to both, which she seeks to appropriate to herself, the feeling of indignation which first arises is succeeded by one of amusement, which is increased by the reasons which are alleged for the spoliation with all the solemnity which befits a diplomatic conference held in the presence of a mediator who is worthy of all respect.

Let us see what are these reasons:

First. The necessity which Chili feels of enlarging her territory by rectifying her frontiers for her future security.

Second. The fact that she has fertilized those wilds with the labor and the capital of her citizens, who have settled in those regions in large numbers, and whom she cannot abandon, especially after the blood of her heroes has been shed there and she has established a military occupation of the country.

The first of these extraordinary arguments is simply egotistical communism, expressed without the least shadow of shame, with the irritating concomitant of styling "a rectification of frontiers" that which at the first view is a twofold increase of territory.

The second is herein reduced to the language of truth and honesty, so far as concerns Peru.

Inasmuch as a vast field of speculation and fabulous returns for Chilian capital has lain open gratuitously, affording lucrative and reformatory employment for the worthless class which overflowed from Chili, driven forth, moreover, into foreign parts by an administration as discreet as it was far-sighted, therefore Chili makes her own the territory from which she derived such important benefits. That is

*See Protocol No. 1 of the conferences of Arica, document No. 285, *ante*.

to say, that what should have constrained her to gratitude is turned by her, scandalously, into a claim of usurpation, and this not limited to the space held by her armed force, but to regions to which has not been extended, neither can be extended, the abuse of a material force and preponderance as ephemeral as the circumstances from which it springs.

Moreover, the mere enunciation of the pretensions of Chili is an insult to the public law of our age, which condemns territorial acquisitions by means of conquest, and which has not tolerated cessions of this class, except when they have been, in some sense, excused by historic reasons and by the imperative exigencies of peace and common tranquillity, and even then consulting the essential and sacred condition of the liberty of a people, which condition has never failed to find the most conscientious support, even among the advocates of hereditary kingdoms.

Moreover, the pretension of Chili is subversive of American public law, and in violation, especially, of a positive principle, formulated, recognized, and adhered to until now by all of the republics of Spanish origin established on this continent. At the same time that they stood before the world with the decree of emancipation which they had won in the tribunal of arms, they proclaimed with one voice, as a guarantee of peace and safeguard of their repose for the future, the permanent establishment of the possessions and respective frontiers of each of them, adopting, to that end, the brief but expressive phrase of the celebrated Roman injunction *uti possidetis ita possideatis*.

In view thereof, there never has been any question among the possessors of these vast dominions as to the rule which they should follow in case of doubt or conflict touching territorial extension. All that has been discussed in such cases has simply been the just application to the subject in controversy of the principle sanctioned as fundamental for the decision of all such questions.

The *uti possidetis*, a practical principle, which sprang forth from the nature of things at the epoch of the independence of these republics, established the equilibrium necessary and proper for the development and progress of all of them, without prejudice, however, to such free acts as, by modifying their *status*, might tend to larger advantages and fuller greatness.

To-day Chili, while seeking to destroy that equilibrium, in violation of the primordial basis of the international constitution of these republics, endeavors to impose upon Bolivia and Peru, by the fifth of the conditions now under consideration, the rupture of the purely defensive alliance they have made, and the annulment of the federal union which they have agreed upon and which is now in the path of completion and full execution. The tyranny of Chili, if there were the force to sustain it, would be the most irritating and vexatious of any that could be devised for the sovereignty and freedom of both republics. No; it is not possible to permit such absurd pretensions to be even enunciated without bringing them to judgment and branding them before all the world with the stigma they deserve.

After having unexpectedly declared war against the allies, and having revived, in the most cruel and horrible manner, a barbarity which humanity had with shame consigned to oblivion, Chili dares to demand, in the second of her essential conditions of peace, an enormous indemnity for the expenses she has incurred for the sole purpose of inflicting calamities and injuries, the complete reparation of which would be due to us in good right, but which Chili can never give us, so far is

her wealth and her solvency inferior to the losses she has caused to us. Chili, in her conditions of peace, has not only put herself outside of the pale of right, but is completely opposed to the right.

"*The restoration of the property of which Chilian companies and citizens have been despoiled in Peru and Bolivia*," exacted by the third condition of the memorandum, is devoid of all signification with respect to Peru, who has carried her generous chivalry to the extent of leaving all such property intact, notwithstanding that the ferocious conduct of her adversary warranted her in the adoption of every kind of retortion and reprisals.

The fourth condition demands the return of the transport Rimac, captured according to all rules in the course of a naval battle for which Peru was wholly unfit, notwithstanding that Chili holds all that she has taken from us on the seas through her temporary superiority, which was due solely to the unfortunate confidence in which Peru slumbered, while reposing faith in the flattering assurances of her sister and former ally, in a contest from which she derived all the advantages and Peru reaped all the disadvantages.

To complete the picture of the pretensions of the memorandum, the sixth and seventh conditions thereof involve, for the present and until Peru shall have satisfied those previously set forth, the retention by Chili of the districts of Moquegua, Tacna, and Arica, and, as to this latter port, for the future, the prohibition of fortifying it upon its return to Peru.

Even if not just, the harmony and transcendental foresight of the conditions proposed by Chili for deigning to grant us peace is undeniable.

Not we, but the world, and especially America, will pass final judgment thereon; and its judgment, dictated by a sense of justice, will be the re-establishment of the moral order which Chili has overthrown in this fratricidal war to the affronting of civilization and humanity.

My government, for its part, maintains and has declared the irrevocable resolve to be faithful to its honor and to the solemn charge which the supreme chief of the republic received from the people of Peru when he was chosen as their leader under such grave and difficult circumstances, and when absolute powers were conferred by them upon him.

I beg your excellency to be pleased to accept on this occasion the assurances of the high consideration and distinguished appreciation with which I have the pleasure to subscribe myself

Your excellency's faithful and obedient servant,

PEDRO JOSÉ CALDERON.

NOTE.—For Annex No. 1, being the text of the memorandum of the essential conditions of peace presented by Chili in the conference of Arica, see Mr. Christiancy's No. 200 of November 2, 1880, document No. 285, *ante*.

For Annex No. 2, being the protocols of the conference of Arica, see the same, document No. 285, *ante*.

No. 289.

Mr. Hay to Mr. Christiancy.

No. 108.] DEPARTMENT OF STATE,
Washington, November 9, 1880.

SIR: I have to acknowledge the receipt of your No. 195, and to approve the investigation made by you into the facts of the charge pre-

ferred by the Chilian Government against Mr. Merriam, the consul of the United States at Iquique, that he had allowed himself to become a medium of communication between the Peruvian General Montero and his government. You will, of course, give proper attention to any further complaint or evidence on the subject that may be laid before you.

I am, sir, &c.,

JOHN HAY,
Acting Secretary.

No. 290.

Mr. Christiancy to Mr. Evarts.

[Private and confidential.]

No. 209.] LEGATION OF THE UNITED STATES,
Lima, Peru, November 11, 1880. (Received December 17.)

SIR: I think it right that I should inform you of certain impressions I received in a conversation with some of the members of the diplomatic corps, held at the legation of Mr. Pinto, of Salvador, who is the dean of the diplomatic corps.

The question of the most proper mode of protecting the legations and consulates of neutral nations here in case of the taking and sacking of Lima being the subject of conversation at the moment, started by me with the view of eliciting some manifestation of designs of intervention which I suspected to exist with some of the foreign ministers, I was strongly impressed with the idea from what was said by the English minister, and to some extent by the minister of France, as well as the peculiar reserve exhibited by them upon some points, that both the English and French ministers have been seeking to get their governments to intervene in the present war here, or that their governments have given them cause to believe they contemplated such intervention. It would be difficult to give you all the slight shades of expression which *together* seemed to indicate this, while few of the expressions taken alone would furnish much ground for the inference. But one point in particular seemed to me by itself to furnish a pretty strong inference of the kind. When I spoke of what might be expected in case the Chilian army should take Lima by storm, and how little safety even our legations might find from an infuriated soldiery which could not be controlled by their officers, a point which for months before they seemed to think a very important one, the British minister said in substance, "Oh, in such a case or before matters reach such a stage the Peruvian Government must yield, and make peace;" to which I replied in substance, "Yes, if they choose to, but if not we cannot compel them to." No direct reply was made to this answer, but I could readily perceive that the French minister seemed entirely to concur with the minister of England, and that both were very reticent as to the means of forcing a peaceful result in such a case. I attach the more significance to these things because very frequently in the course of the last eight months both these ministers, as well as the minister of Germany, have frequently intimated, and sometimes plainly said to me, that there ought to be intervention, and that peace could only be brought about in that way. But the minister of Germany has lately said nothing of the kind, and

I hear it rumored that his government will not intervene. But, on the other hand, the French minister, who last year said to me, on repeated occasions extending over a period of four or five months, "Your government is the only one that can bring about peace here." And he often urged that the United States ought to press mediation, yet the moment he found that all the belligerents had accepted our mediation he showed nearly as much petty jealousy as the minister of England, and both alike not only showed their hostility but joined, not in my presence, in the attempt to throw ridicule upon it, while they at the same time were attempting to induce Peru to accept peace by ceding Tarapaca to Chili, which I think it quite probable, at least, they think of compelling Peru to do by active intervention.

The secret motive, if it can be said to be kept a secret at all, is, I think, to be found in the fact that a large amount of the salitre bonds and of the guano bonds, for which the salitres and guano of Tarapaca are pledged, and which, especially the latter, constitute a lien upon the territory or beds where they are found, are held in England, and a considerable amount in France, and Chili is willing to—if in fact she would be bound to—assume their payment, and more confidence is placed in the ability and the disposition of Chili than of Peru to pay them.

I have not the slightest doubt that all the influence of the English ministers here at Santiago, and probably those of France, and possibly Italy, was used to thwart the success of our mediation, as I understand and believe that the English minister here, immediately on learning that Chili had accepted our mediation boasted in substance that he would prevent the success of that effort. They did not expect that we would be able even to get the parties together to open negotiations and were greatly chagrined when they found we did finally succeed in this.

Now, it might have been, and possibly might yet be, wise for the allies to accept peace by the cession by Bolivia and Peru of the territory claimed by Chili, rather than to continue the war, but whether the settlement of peace upon such terms would be wise for the allies, or not, is a question for them to decide, each for itself, and for any neutral nation to deny them that right is, it seems to me, virtually to deny them the essential rights of independent national existence.

It will be readily seen from what I have already said that the apprehended intervention under the circumstances would amount to little else than the active aid of the intervening powers given to Chili, at present victorious, both by sea and land, for the purpose of crushing both Peru and Bolivia.

I know that the Peruvian Government looks upon the apprehended intervention in this light, and is more apprehensive of injury from it than from all the power of Chili.

I have had no express instructions from you applicable to such a contingency, but, judging from our past history and from all that has been shadowed forth in your dispatches, I infer that our government will be opposed to such intervention, and I shall act accordingly until I receive instructions to the contrary, and shall protest against it if it be attempted to be carried out here before I receive such instructions.

I regret that I am not able to telegraph you from here.

I would certainly attempt to do so from Panama, if I had been furnished with a key, and may yet before the mail leaves, send by letter a dispatch to our consul at Panama, to be forwarded by him, if it can be done, to be paid for by you.

But I hesitate, especially as your dispatches show a desire to avoid such extraordinary expenses, except in cases of clear necessity.

I have, &c.,

I. P. CHRISTIANCY.

No. 291.

Mr. Evarts to Mr. García.

DEPARTMENT OF STATE,
Washington, November 13, 1880.

SIR: I have the honor to acknowledge the receipt of your note of the 25th ultimo, expressing the appreciation which must be felt by Peru of the proffer made of the good offices of this government in the direction of securing peace between that republic and the Government of Chili, and at the same time an apprehension that this movement might not reach the desired result.

In reply, I regret to observe that, although the proposition of the United States was held acceptable by all the belligerents, it seems to have been thus far fruitless; and this government awaits with interest information of the course of the conference held in pursuance of the benevolent wishes of the United States, and of the reasons of its failure.

Notwithstanding the miscarriage of the impartial and humane efforts of this government in the interests of a pacification (which it cannot regard but with chagrin as well as regret), the United States will welcome any further opportunity it may have to promote, by any proper means, the restoration of peace.

I profit by this occasion, &c.,

WM. M. EVARTS.

No. 292.

Mr. Evarts to Mr. Christiancy.

No. 109.] DEPARTMENT OF STATE,
Washington, November 27, 1880.

SIR: I subjoin the text of a telegram which was sent to Mr. Osborn, envoy extraordinary and minister plenipotentiary of the United States at Santiago, by this Department on the 19th instant:

You are authorized to unite with your colleagues in pressing upon Chili the adoption of the measures agreed upon in a diplomatic conference at Lima for securing the lives and property of neutrals when Lima is attacked. This authority is to be used only in case these measures are approved by Christiancy and yourself as within neutral policy and this concurrent representation seems to you useful. You are also authorized to join in asking a direct answer from Chili, if in your judgment the requirement is justified by the situation. Telegraph your action.

I am, sir, &c.,

WM. M. EVARTS.

No. 293.

Mr. García to Mr. Evarts.

[Translation.]

LEGATION OF PERU IN THE UNITED STATES,
New York, November 27, 1880. (Received November 29.)

To His Excellency the SECRETARY OF STATE:

SIR: I have the honor to inform your excellency that I received the official telegram, a copy of which is herewith inclosed, on the 25th instant, from Panamá. As it merely confirms what was already known to your excellency, as appears from your esteemed communication of the 13th instant, which was duly received by me, it did not seem to me necessary to transmit this information to you sooner.

I am, as ever, your excellency's faithful and obedient servant,

IGNO. GARCÍA.

(Copy.)

To the CHARGÉ D'AFFAIRES *of Peru*:

This information is sent by supreme order. Belligerents accepted American mediation. Plenipotentiaries began conference. It proved a total failure. Chili demanded cession of territory, which Peru rejected.

LARRAÑAGA.

No. 294.

Mr. Evarts to Mr. García.

DEPARTMENT OF STATE,
Washington, December 1, 1880.

SIR: I have the honor to acknowledge the receipt of your note of the 27th ultimo, and of the copy of the telegram received by you on the 25th, announcing the failure of the negotiations toward peace, which had been entered upon by Peru and Chili.

Again expressing the great regret felt by this government at the apparently unfortunate result of the efforts for peace which had commended themselves to the good judgment of other nations, I beg to renew to you, sir, the assurances of my high consideration.

WM. M. EVARTS.

No. 295.

Mr. Evarts to Mr. Christiancy.

No. 112.] DEPARTMENT OF STATE,
Washington, December 13, 1880.

SIR: I have to acknowledge the receipt of your No. 200, of the 2d ultimo, and of the protocols of the conferences of the plenipotentiaries of Peru, Bolivia, and Chili, held at Arica, from the 22d to the 27th October last, under the mediation of the United States.

This government cannot cease to entertain the most serious regret that its efforts in the direction of securing peace between the belligerents have met with so little apparent success thus far, but it still stands ready to render its assistance to that end in every proper way.

I am, &c.,

WM. M. EVARTS.

No. 296.

Mr. García to Mr. Evarts.

[Translation.]

LEGATION OF PERU IN THE UNITED STATES,
New York, December 18, 1880. (Received December 21.)

SIR: I have the honor to transmit to you a copy of the circular which the secretary of foreign relations of Peru has addressed, under date of 5th November, ultimo, to the diplomatic agents of my country abroad. I would have desired to go in person to fulfill the gratifying duty of reading the document in question to your excellency, as therein prescribed, but a serious illness prevents me.

I improve, &c.,

IGNO. GARCÍA.

[Inclosure—Translation.*]

CIRCULAR.

To the diplomatic agents of Peru.

OFFICE OF THE SECRETARY OF FOREIGN RELATIONS AND WORSHIP,
Lima, November 5, 1880.

The mediation offered by the United States of North America in order to put an end to the war in the Pacific, and accepted by the allies with the greatest sincerity and self-denial, has failed in consequence of the absurd pretensions of Chili, who has likewise refused the arbitration proposed in the conferences of Arica, because, as she does not seek justice, neither does she desire an impartial judge.

We have gone as far as dignity and honor permit us, endeavoring to forget our just indignation and the anger which Chilian vandalism has excited in the breast of the people. The noise of arms, which has not ceased, even when the enemy affected to enter upon the paths of conciliation, will therefore continue.

All that is inhuman, disastrous, and abominable in the present struggle, and whatever may occur until its end, will be exclusively chargeable to Chili, who has allowed herself to be carried away by the most ignoble and degrading passions, which cannot be satisfied but by the complete extermination of her adversaries, which she considers easy in the midst of her madness caused by the innocent blood she had shed, and her depredations and iniquities. She accepted the mediation with the deliberate intention of making it useless if Peru accepted it, reserving to herself the placing of insurmountable difficulties in the way of an agreement.

Thus is explained that, at the same time that she agreed to such a measure of friendly reconciliation, she brought ruin and devastation to the undefended departments of the coast of the north, destroying in a moment valuable property, the result of industry, and the disappearance of which is prejudicial to commerce.

Thus is explained her tenacious obstinacy in fixing on the port of Arica, a place under the pressure of her arms, for the holding of the conferences. She endeavored to irritate our susceptibility in order to leave to us, at least in appearance, the responsibility of refusing to enter into the conferences for peace.

Thus is explained how, in the first of them, her plenipotentiaries presented, as unalterable, conditions the acceptance of which would have been an ignominious suicide.

*This translation is taken from the South Pacific Times of November 12, 1880.

Peru, after having deferred to everything which was merely fortuitous, and controlling the fiery impetus of her pride, which, on the other hand, she satisfied by ordering her plenipotentiaries not to stipulate, except in the last case, the cessation of hostilities during the conferences, assumed in these the noble attitude she has maintained since the commencement of the war, and which she will not deviate from to its end.

The law of honor, and only that, prescribed to her the taking part, unarmed, in the struggle, and she feels quite sure of concluding it with honor and glory.

Here it is as well to record briefly the conduct observed by Chili since the commencement of the war, always the same in her uncontrollable employment of double dealing and treachery.

After obtaining immense advantages in the two treaties of 1866 and 1874, respecting boundaries with the neighboring Republic of Bolivia, unsatisfied and restless then, and every day still more so, at not having pushed her frontiers to the point her covetousness longed for, she waited the first opportunity and sought the first pretext which might present itself to *revindicate*, according to the language employed by her on the occasion, the rich territories which international faith had guaranteed definitively to our ally.

We feel ashamed at having to present to the world the occasion which Chili found propitious for the realization of her unlawful design; such was the tax of ten cents, sanctioned by the Congress of Bolivia, on the "Compañia de Salitre y Ferrocarriles de Antofagasta," which then declared itself *in a most skillful manner* under the protection of Chili.

The diplomacy of this republic anticipated and hastened the proceedings of Chili; very soon afterwards a rupture of relations took place; Chili spoke of arbitration as to-day she does of mediation, and obtained, as she now wishes to do with respect to the latter, that it should remain a chimera. Thus she pretended, according to the system to which she is accustomed, to give a color of justice, first, to the sudden invasion of Antofagasta, and afterwards to that of the whole Bolivian coast.

Peru, who prides herself on having initiated almost from the commencement of her independent life, with the most exalted views, the real fraternity of the American republics; who has on different occasions assembled in her capital congresses for such an important object; who at this very moment has the pleasure to see in this city the congress of juristæ of her sister republics which endeavor to realize the beautiful ideal of harmonizing the institutions of modern society; Peru, leagued by a treaty of defensive alliance with Bolivia, the secret of which for well-founded reasons was stipulated in it, but which imposed on her a mission of peace in the disagreement between her ally and Chili, went to Santiago animated with the most sincere wishes; and it is necessary to acknowledge that neither good-will nor the most assiduous solicitude was wanting on the part of our representative in the fulfillment of his honorable mission.

The secret, merely official, of the alliance (because for statesmen in the three republics, with few exceptions, no such secret existed) served as a pretext to the Government of Chili for rejecting the mission of Señor Lavalle, rendering useless the fraternal purposes of Peru, precipitating the declaration of the *casus fœderis*, and immediately afterwards darting upon our coast, commencing the series of shocking hostilities which have continued since, each time with more fury, and which she proposes to crown worthily without any other limit than the extent of her power to carry them out.

Chili, on turning her arms against Peru, who she knew could only defend herself by her courage and her natural nobleness, was under the delusion that she could humiliate and trample upon Peru without great efforts or sacrifices.

Desperate and frantic at being undeceived, she carried to a greater extent than was conceivable, even to those acquainted with that nation, her barbarous hostilities.

Nothing has sufficed to stay the hands of our ruthless enemies. Neither the undefended state of the towns, nor the innocence of the victims, nor the chastity of the women, nor the weakness of infancy, nor the veneration due to old age, nor unfortunate courage, nor the convulsions of agony, nor the sacred character of neutrality, nor the even more sacred character of the ambulances in which the wounded have been assassinated without pity, nor the sanctity of the temples, in fact no respect, divine or human, not even that due to her own honor, has been sufficiently powerful to make Chili return to the bosom of Christian civilization, in which, after what has been referred to, it is licit to doubt whether she ever really was, notwithstanding her ridiculous vanity and much talked of progress.

Full of hatred and envy against Peru, whose superiority cannot be unacknowledged without blotting out history and stifling the voice of a fame which has become a universal proverb; drunken with blood and devoured by thirst for our fabulous riches, Chili proclaims an attack upon this capital which she considers as the last bulwark of defense of Peru. For this reason she has not hesitated to reject, openly, the arbitration proposed by our plenipotentiaries at Arica, who designated at the same time as judge the great republic of the north, which had the highest title in every respect to fulfill such a noble and humane duty. Chili would not admit it, under the frivolous pretext that the time for arbitration had passed, as if at any moment the intervention

of wisdom and justice should not be welcome in order to put an end to a struggle which is a disgrace, not only to America but to Europe, and when only a short time ago, the 3d of September last, she has made a treaty with the United States of Colombia in which it is stipulated that all differences between both republics are to be settled by arbitration, and when Peru has been asked to adhere to said treaty by an invitation received by our government only by the last steamer.

Peru is, therefore, for Chili a hateful exception in treating of peace. Be it so! Let her come, not as she imagines, to end, but to begin the war. The generous blood which Peru has shed in torrents will become fruitful. The entirely disinterested worship which she pays to honor, without being terrified by the sacrifice of all her other treasures, which she considers as secondary, will give to her arms the reward they deserve. Her heroes of to-day will repeat the actions of those of yesterday, and the crown of a final triumph, so much the more splendid as it will have been costly, will bind her proud and immaculate brow.

This is the faith of the government of his excellency the supreme chief, to whom the republic, on constituting him arbiter of her destiny, charged him, above all, with the triumph of the national arms. He will omit nothing to attain this object, and he confides in attaining it as the judgment of God in the duel to the death which has become inevitable, owing to the want of reason and the insolence of our enemy.

You will be pleased to read this dispatch to the minister for foreign affairs, and leave him a copy should he desire it.

May God preserve you many years.

PEDRO JOSÉ CALDERON.

No. 297.

Mr. Hay to Mr. García.

DEPARTMENT OF STATE,
Washington, December 22, 1880.

SIR: I have the honor to acknowledge the receipt of your note of the 18th instant, transmitting, for the information of this government, a copy of the diplomatic circular sent on the 5th ultimo by the secretary of foreign relations of Peru to the diplomatic agents of that country abroad. Regretting that your illness should have deprived me of the pleasure of receiving your personal communication of this circular, I avail myself, &c.,

JOHN HAY,
Acting Secretary.

No. 298.

Mr. Christiancy to Mr. Evarts.

No. 226.] LEGATION OF THE UNITED STATES,
Lima, Peru, December 31, 1880. (Received February 5, 1881.)

SIR: I have the honor to acknowledge the receipt of your dispatch No. 109 (108 not yet arrived), containing the copy of your telegram to Mr. Osborn of the 19th November.

But for your letter I should never have heard of your telegram, as I have not had one word from Mr. Osborn since I left him at Arica, until December 24 (the day after I received your dispatch), when I received his letter of December 3, written two weeks after your telegram to him. And even this letter, of which I send you a copy, says nothing of the telegram.

I cannot say that I am at all surprised at this, whether he had received the telegram or not.

You will notice that his letter does not show that Chili has agreed to all the "measures agreed upon in diplomatic conference at Lima," and that it is quite general and rather indefinite. And it was therefore quite essential that I should know the contents of your telegram which he could have telegraphed to Arica, whence I could have had it by mail long before his letter of the 3d instant was written—not to say received.

The charitable conclusion perhaps ought to be either that he had not received your telegram or that he had sent me a copy which did not reach me. But I must confess to some doubt of the truth of this charitable inference.

I inclose you a copy of my letter of December 14, 1880, which will speak for itself. It touches only those false reports of the Chilian press which had then come to my ears. Since then I have learned that the Chilian press has gone much further in its attacks upon me, some articles charging me with having gone to Chili only for my health, and that I had no idea of being able to bring about peace by mediation; when I went down afterwards in October, other articles do not scruple to charge me with acting as a Peruvian spy, all such articles, of course, assuming that I had no authority for saying to Colonel Lynch or the Peruvian Government that Chili had accepted the mediation of the United States, and at the time I said so to each of them.

Now, the truth of what took place at Santiago when I was there, from 27th to 31st August last, is fully stated in my dispatch No. 191 (and my confidential dispatch of the previous day shows the reason why I went there).

The truth of the fact stated by me, that Chili had accepted the mediation of the United States as early as August 30, at least, can be shown by a mass of evidence in my hands, which is simply overwhelming. Mr. Osborn's own letters and telegrams to me and memorandum drawn by himself and his letters to Mr. Adams among others; and inferentially also by the letters (copies of which I have) of the secretary of state of Chili to General Baquedano and to Admiral Riveros (both of which I delivered personally), and, I presume by what Mr. Osborn must have written to the Department. And these will show that Chili had accepted our *mediation* (not our "good offices" merely, nor to use the language of his note to that government of the 6th October, while I was in Arica awaiting him by his own appointment, our "mediation in the form of good offices," which, to me, conveys no definite or intelligible idea, and when after seeing his note in a Chilian paper while at Arica, I asked him if Chili had not accepted our good offices in the form of mediation, he replied, yes; and I was quite unable to make him comprehend that there was any difference between the two propositions, the consequence of all which was that by his action Chili, which had accepted our mediation as early as the 30th August, on the strength of which I procured the acceptance by Peru of our mediation on the 14th September, was allowed to place herself before the world as having accepted only our "good offices," and that only on the 7th October, and the further consequence was to place me before the world as a deliberate liar).

I have not yet had time, and have not now, to make copies of all the papers showing the details which led to and accompanied the conference at Arica; in fact I have doubted whether the Department would wish to lumber up its files with them, but I will send them if desired. I am now constantly employed in providing for the protection of American, Swiss, and Colombian citizens (the Chilian forces being within 10 miles of Lima and the final battle expected every moment).

Now, one of the principal reasons for the bitterness of the Chilian press againt me is, no doubt, the action of S. C. Montjoy in assuring Colonel Lynch that I was acting fraudulently. (See my letter to Montjoy. Dispatch 215, No. $\frac{1}{215}$). But the principal ground for these attacks of the Chilian press originated, as I am satified, from the too easy compliance of my colleague in Chili with the wishes of the Chilian Government, and his desire to enable that government to meet the bitter opposition of the war party in Chili. The case, as explained to me by Mr. Osborn himself, at Arica, was just this. Immediately after I had left Chili (August 31), the opposition or war party charged the government with having, through me, taken some steps for peace; the government were put on the defensive; and Mr. Hunaeus, a senator (who had been employed by the President to communicate with me in the first instance), being interrogated in the senate in reference to this, denied everything of the kind, and declared that I had come there only to see my colleague, Mr. Osborn; and the whole idea of negotiating with Peru and Bolivia was kept a secret from the Chilian people until after I arrived at Arica, October 6. While I was at Arica, my letter to Colonel Lynch, or its contents, had been sent to General Baquedano and thence to the Chilian Government, and Mr. Osborn during the conferences, having learned the fact, undertook to make me believe that I had gone too far in stating to Colonel Lynch that I had had a conference with the Chilian Government and that that government had accepted our mediation, &c. We differed upon that point as we differ now.

Now, while his action has tended to strengthen in Chili the belief of my falsehood and evil designs, and to place me before the public in Chili in the worst light, I do not charge him with *that* particular design, nor am I willing to believe that he was actuated by any malice towards me; but I do think his inordinate desire to sustain the government against the attacks of their opponents has had all the bad effects upon me that it could have had if such had been his feelings and intentions. I cannot and will not enter into newspaper controversy, though the consequence of the action of Montjoy and my colleague may be to render all my efforts for the protection of American, Swiss, and Colombian citizens abortive, and even to endanger myself in case Lima should be taken by storm. Yet I propose to stand by the truth and depend upon the moral protection of our flag, trusting that time will bring my vindication.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 226.]

Mr. Osborn to Mr. Christiancy.

LEGATION OF THE UNITED STATES,
Santiago, Chili, December 3, 1880.

SIR: I have been formally assured by this government of its desire to protect the lives and property of neutrals in Lima and Callao, if those places should be attacked by the Chilian army. To that end the commanding general of the army has been directed to consult with the dean of the diplomatic corps in Lima, and to adopt his suggestions in so far as they may not tend to embarrass the legitimate operations of the army in its movements against the enemy.

Very respectfully, &c.,

THOMAS A. OSBORN.

[Inclosure 2 in No. 296.]

Mr. Christiancy to Mr. Osborn.

LEGATION OF THE UNITED STATES,
Lima, Peru, December 14, 1881.

SIR: You have probably seen by the Chilian papers that I have been accused—1st, of falsely stating, when I wrote to Colonel Lynch, September 13, that Chili had accepted the mediation of the United States, and that I had had an interview with the Chilian Government, &c. I have no apology to make for either of the above statements; for both are true in substance and effect, and neither calculated or intended to deceive Colonel Lynch.

It is true that I, as minister to Peru, could not act officially in Chili; but it is equally true that the President of that government, together with his secretary of foreign relations, could (and did) act officially at Santiago, and that you also could act officially at the interview we both had with the President and secretary of foreign relations, when we went together to the palace and had that interview, and when the President and secretary—in answer to my statement that it did not yet appear that the mediation of the United States could have any effect until it was known whether the propositions made by or through the Italian and French ministers should be accepted—replied that they had already accepted the mediation of the United States and should not withdraw it, of which you had previously informed me; and you knew and I knew, and the President and secretary for foreign relations of Chili (who are in effect the government as to foreign relations) knew that that declaration was made to me as the basis upon which I was to ascertain whether Peru would accept the mediation of the United States and enter upon the negotiations, as you had proposed. And the note written by yourself as to the action we were to take shows beyond the slightest doubt that such was your understanding, and your own letters, before and since, show the same. I have, therefore, no apology to make for my letter to Colonel Lynch, above referred to. It was true in substance and effect, as you know and the President and secretary of foreign relations of Peru know, as I know and as God knows. When writing to Lynch I was looking to the substance and effect of things, and I stated them truly. I was not seeking to "divide a hair north or northwest side." Those who claim merit for feats of the latter kind are welcome to all the glory they can secure, and I willingly surrender the whole of that field of controversy to them, having myself no ambition in that direction.

My letter to Colonel Lynch was, therefore, entirely true in substance and effect, and any statement which may be got up by the aid of logical necromancy to show the contrary, from whatever source it may come, is *false* in *substance* and *effect*. Never was a letter written in more perfect good faith than mine to Colonel Lynch, and I am still of the opinion that but for the opposition party in Chili, which drove the government from its honest purpose of securing peace upon fair and honorable terms, that letter would have been approved by the Chilian Government itself. That opposition, which drove the government from its first purpose, together with the exasperation caused by the Lynch raid, were the two main causes which rendered all efforts for peace utterly futile. That opposition drove the Chilian Government to make their propositions for peace in the most exorbitant and repulsive form, while the exasperation on the other side made Peru more averse to any terms. This is the truth of history, and you and I know it. I do not propose that any other view shall pass for history without my protest.

Now, in reference to the charge or insinuation, made by Colonel Lynch, that I had undertaken to deceive him by writing to him, that the estates "Chiclin" and "Hacienda Arriba," in the valley of Chicama were the property of John W. Grace, an American citizen, I have to reply that this charge or insinuation is false, and my letter to him was true, as I believe, in every particular. His charge rests wholly upon information given him by individuals who did not speak from the title-papers, and who were interested in compelling the payment of a contribution upon this property, for the purpose of lessening their own contributions, and upon the false and, as I believe, the interested assertions of S. C. Montjoy, United States consul at Lambayeque, who was the author of the protest, made by Americans in Peru last March, against the mode in which Chili carried on the war, the authorship of which was falsely charged against Charles S. Rand, esq., when I was in Santiago, last August.

When I wrote to Colonel Lynch, I spoke from the title papers which I had seen and which are filed in this office. The title, as I understand, was the whole and absolute title that was conveyed to Mr. Grace on the 4th of August last. And I took the precaution, as in other cases, to take the affidavit of Mr. Grace of the fact of his ownership, in addition to the title papers, and upon these I relied in good faith, and still believe that the title was, and still is, in Mr. Grace, as stated by me in my letter to Lynch.

But I will do Mr. Lynch the credit to say that, from information which I have received, and which is now in writing in this legation, I am inclined to believe that,

but for the false information given him by Montjoy, and by other owners of property, as aforesaid, he was disposed to exempt and would have exempted the property as that of an American citizen.

I have, &c.,

I. P. CHRISTIANCY.

No. 299.

Mr. Christiancy to Mr. Evarts.

No. 230.] LEGATION OF THE UNITED STATES,
Lima, Peru, January 22, 1881. (Received February 15.)

SIR: Lima was quietly surrendered to the Chilian forces on the 17th instant. I wished and intended to have given you a detailed account of the events and causes which have led to this result. But on the 15th instant, at 2 o'clock p. m., I went with the whole diplomatic corps to Miraflores, some 5 miles (in a direct line) from Lima, to receive from President Piérola his answer to the terms offered by the Chilian general, Baquedano, through the committee of our diplomatic corps, on the morning of that day (said committee consisting of Mr. Pinto, our dean, and the French and English minister, who had that morning arranged an armistice to last until 12 o'clock that night for the purpose of getting the answer of Piérola). We found Piérola and his staff at breakfast in a large house at Miraflores, and were waiting for him to come out, and some of his officers were just coming out from the table, when a single heavy gun was heard, and in less than a minute the battle opened along the whole lines, and at a distance of but about 80 rods south of us, the shot, even from the small-arms, pattering thick and fast upon the buildings around us, and the air being filled with flying shells exploding all around us. It is not yet fully known who fired the first gun, but it is, I think, quite evident that both the Chilian commander and Piérola were equally taken by surprise, and the probability is that it was the unauthorized act of some subaltern officer.

The diplomatic corps fled to the rear towards Lima for their lives, and got somewhat scattered, some of them reaching the railroad train (which had taken us out), some distance to the north of the train, and some, like myself, endeavoring to strike the railroad ahead of the train, but being cut off by walls and ditches, were compelled to walk a devious course back to Lima. I was one of the latter unfortunate class, was under the shells of the Chilian fleet and army, falling thick around me, for two hours before I could get out of range, climbing smooth perpendicular walls between fields and around chacras and old buildings, wading water courses, and traveling some 8 miles to get 4 miles ahead, until my muscular powers were thoroughly exhausted—finding on my return some 600 to 700 refugees—women and children in the legation, who had sought asylum there, and before 9 o'clock at night over 1,200, which increased next day and night to over 1,500 of all nationalities, and all this while more than half the time I was unable to stand upon my feet from the fatigue.

I have just got rid of the refugees, but the strain upon my muscular powers has been such that even yet I cannot walk or stand for half the time, and yet I am constantly besieged with complaints from Americans, Swiss, and Colombians against depredations upon their persons or property from the Chilian soldiery, which I endeavor to get redressed as well as I can. I am therefore in no condition to give you a detailed statement of events at present, but shall do so as soon as I can.

I will only say here that, from all the reports I hear from every quarter, the Chilians killed all the Peruvian wounded they found upon the field. They deliberately burned Chorrillas, after all necessity for such outrages had ended. They did the same to Barranca and Miraflores; and since all the fighting has been over they have burned sugar plantations with standing cane upon them. They have robbed, as I am informed, some haciendas belonging to Colombian citizens, under the protection of this legation, and I fear, also, some belonging to Americans, most of which is doubtless due to the special pains taken by Mr. Montjoy to cause the Chilian officers to believe that I was acting in bad faith towards them; and some of it, from the inordinate desire of my colleague in Chili to make himself popular with the government there by assenting and giving currency to the false and vindictive attacks of the Chilian press against me, as I know the basest and most vindictive attacks of their press come from an intimate and familiar friend of my colleague.

The Chilians have, as yet, behaved remarkably well in Lima, and thus far respected their promise to protect life and property; and I must do their officers the justice to say, I think they intend to enforce order in the city and to treat the inhabitants kindly.

Piérola, who constitutes the only recognized government of Peru, was last heard of at Canta, some fifty miles northeast of Lima. He is at present supposed to intend to arouse the interior to arms. But he has no money or arms, and, I think, would have acted more wisely if he had remained here. The Chilians, I feel quite sure, would have treated him kindly, and recognized him as the only government with which they could treat for peace. I think they would be glad to have him return for that purpose. I am quite unable to write you further to-day, as I am scarcely able to be out of bed.

I have, &c.,

I. P. CHRISTIANCY.

No. 300.

Mr. Evarts to Mr. Christiancy.

No. 119.] DEPARTMENT OF STATE,
Washington, January 25, 1881.

SIR: I regret that a report which has been communicated to the Department obliges me to request that you will make a strong representation in the premises to the Peruvian Government, should you find on inquiry that the report is well founded. This report is that the Peruvians have made use, during the present war with Chili, of "boats containing explosive materials" which have "in some instances been sent adrift *on the chance* of their being fallen in with by some of the Chilian blockading squadron." How far the case of the launch to which you refer in your No. 183, which was loaded with concealed dynamite, comes within the description of cases mentioned, the Department has not the requisite data to determine.

It is sufficiently obvious that this practice must be fraught with danger to neutral vessels entitled to protection under the law of nations, and that in case American vessels are injured thereby, this government can do no less than hold the Government of Peru responsible for any damage which may be thus occasioned.

There is no disposition on the part of this government to act in anywise nor in any spirit which may be construed as unnecessarily critical of the methods whereby Peru seeks to protect her life or territory against any enemy whatsoever; but it will appear, I think, to the high sense of propriety which has in times past distinguished the councils of the Peruvian Government, and which without doubt still abides therein, that in case it is ascertained that means and ways so dangerous to neutrals and those adverted to have been for any reason suffered to be adopted by her forces, or any part of them, they should be at once checked, not only for the benefit of Peru, but in the interest of a wise and chivalrous warfare, which should constantly afford to neutral powers the highest possible consideration.

It is understood that the British minister at Lima may be instructed to make like representations on the part of his government.

I am, sir, &c.,

WM. M. EVARTS.

No. 301.

Mr. Christiancy to Mr. Evarts.

No. 237.] LEGATION OF THE UNITED STATES,
Lima, Peru, February 2, 1881. (Received March 2.)

SIR: I had intended before this time to have sent you a connected and intelligible account of the military operations which culminated in the taking of Lima by the military forces of Chili, and of the correspondence of the diplomatic corps, first with the Government of Chili (through their colleagues in Santiago), and second, with the general-in-chief of the Chilian forces prior to the battles of the 13th and 15th ultimo, but several causes have prevented me thus far from performing this duty.

1st. I have been ill most of the time since the battle of Miraflores, on the 15th ultimo, in which I was caught and from which I made my brilliant advance upon Lima, and have been in the hands of a physician until to-day.

2d. I have not been able to get from the dean of the diplomatic corps (Mr. Pinto, from Salvador) copies of the diplomatic correspondence above referred to. My clerk has just got the originals and is making copies and translations.

3d. A part of the documents to which I wished to refer (with many other papers relating to the war, and the conferences at Arica, which might be necessary to refer to in future correspondence) was sent to the Lackawanna for safe-keeping, until it should be known whether Lima was to be sacked and burned; and this vessel left Callao a week ago for Chimbote, and has not yet returned.

I must, therefore, confine myself to the briefest possible explanation and the most pressing exigencies of the present situation. Lima, through its alcalde (mayor) representing the municipal government, having on the 16th ultimo surrendered at discretion, on the promise of protection to life and property, on condition that their entry should not be opposed and that they should not be fired upon. There was great danger that this last condition would not be complied with and but for the Urban Guard, composed entirely of neutrals (who, at the invitation of the Peruvian Government had for eight or ten days before the

first battle protected the city from disorder, but just before the first battle had been discharged by the government, because they had inadvertently stopped one of the ministers of the government in the street at night). On Sunday, the 16th, the Peruvian army, having been beaten the day before at Miraflores, was completely disbanded, and Lima was filled with them, many of them still retaining their arms, all without organization or officers. They were all negroes, Indians, mulattoes, cholos, and mixed bloods of the lowest order (as there had been no white men in the ranks of the Peruvian army, except in the reserve, consisting of white men from Lima and Callao).

These disbanded soldiers, who had been forced into the army against their will and were now thrown upon the world as outcasts, who had no place to go to, and no means of supplying themselves with food, and were really suffering from hunger, deserved, as I thought, pity and sympathy. But late in the afternoon (of the 16th) we began—I say "we," for there were at that time in the legation and under my protection some 1,550 women and children—we began to hear firing and cries of rage and of distress along the streets, as if pandemonium itself had suddenly burst up, as with an earthquake shock, along all the streets in the city.

It was soon evident that a concerted and general, though disorderly and riotous, attack was being made upon the poor inoffensive Chinese, their shops and houses, where food was sold in small quantities; but the attack was not confined to these, it extended to almost all the pulperias, or small shops, where food and liquor were sold.

Immediate death by the rifle-shot was the penalty of resistance, and the poor Chinese almost everywhere met the same penalty without resistance. Louder and louder, as the night drew on, and louder and more pervading, horrible, and bewildering as the night progressed, became the mingled cries of vengeance and distress, and louder and ever increasing the roar of rifle-shots along the streets, until their continuous roll resembled that of a regular battle. By 10 o'clock the flames of burning buildings in various parts of the city began to illuminate the skies, and still further to terrify the hearts of the already terrified inhabitants with the prospect of a general conflagration.

Several large buildings were burned to the ground; but, thanks to the mud or clay and reeds, which compose most of the buildings of Lima, a fire can spread but slowly, and its spread was checked after several valuable buildings had been burned, among them several large and valuable Chinese stores along the principal streets.

It was a night, or rather a nightmare, of chaos and unutterable horrors, a "triste noche" which defies all analysis or detail of description. But towards the dawn it began to become evident that the demon of chaos and disorder had begun to lose his force; his powers were becoming weak by sheer force of over-exertion; phrenzy had yielded to exhaustion. The Peruvian citizens, however, whose soldiers these rioters had been, were in no position to put them down, and though many of the native citizens of Lima of the better class would have rejoiced to see the reign of terror ended, they seemed utterly paralyzed, as these men were so lately their defenders.

It was now the dawn of day, and the Chilian forces were to enter at 2 o'clock p. m. If these disorderly elements were not subdued before that time there was every reason to fear that some and probably many of them, under the influence of liquor, would fire upon the Chilian forces, and Lima would then be laid in ashes.

But at the terrible moment, when all seemed lost, before the morning sun rose over the Andes, a new star of hope made its appearance

upon the horizon. Through all the chaotic horrors of the night an element of order, guided by intelligence, had been doing its work, and barbarism and brutality were destined to feel the force of civilization and intelligence, with an intelligent purpose to enforce order. Though comparatively few in number the Urban Guard through all the horrors of the preceding night, had been organizing; and with the dawn of day quietly but resolutely took the streets "still as the breeze, but dreadful as the storm." A few of them had pistols, others policemen's clubs. As they came in contact with the armed rabble, often ten or fifteen to their one, they demanded their arms and their surrender. If any one refused this demand he was at once shot or knocked down and killed. The rabble at once realized that here was a power they could not resist. They threw down their arms and fled to their dens or hiding places. A few of the Urban Guards and great numbers of the rioters were killed. This process was still going on at 2 o'clock, p. m., on the 17th. The Chilian commander, learning this, waited for the entry of his forces for some two hours more, by which time order was restored, and all danger of firing upon his troops was over, when he sent in some 3,000 of his best disciplined men, who quietly entered without noise or demonstration of any kind, and Lima was saved from destruction. [All neutrals and many of the Peruvians felt a sense of relief upon the entry of the Chilian forces, and as to neutrals, I think, they dread the departure of the Chilian forces as much as they dreaded their entrance; as in case of their departure the neutrals will be subjected to the prejudices, the passions, and the hatred of the Peruvians of the lower orders.]

Since that time much of the rest of the army has marched quietly through Lima and encamped outside. General Saavedra is the chief civil governor of Lima under Chilian power, and seems to be doing all in his power to preserve order. Still many horrible outrages have occurred—rapes and murders—probably in spite of the utmost vigilance of the governor, but which would not have happened from a civilized soldiery. And if Chili chooses to employ savages as soldiers she must be held responsible before the world for all such excesses as would not have been committed by a civilized soldiery under proper discipline. In the mean time the Chilian commanders are greatly embarrassed by their victory, as they can find no Peruvian government with which they can treat for peace. Piérola, at last advices, was at Tarma, still bent upon pursuing the war, though he has no army, no arms, and no financial resources, and if he insists upon continuing the war will ruin Peru without benefitting himself. He is now, however, inclined to treat under the mediation of the diplomatic corps. But the Chilian authorities, as long ago as the 14th, before the battle of Miraflores, plainly declared to our corps its determination to admit no mediation. And the diplomatic corps will not probably intervene against the will of Chili.

It is now 3 o'clock p. m., and at 5 or 6 p. m. I am expecting a diplomatic meeting to take into consideration a letter of Piérola. If he is not disposed to treat for peace on reasonable terms, I think a provisional government will be installed here, consisting of the municipal authorities and the notables of the vicinity, by whom a treaty of peace will be negotiated, subject to the approval of Congress, which in that event will be convened at the earliest possible moment.

FEBRUARY 4, 1881.—Nothing new has occurred since writing the above.

The neutrals here, who saved the city from destruction by putting down the disbanded Peruvian soldiery, dread the hostility of the Peru-

vians when the moment comes for the evacuation of Lima by the Chilian forces.

They fear that the "foreigners" will then be accused of having aided the Chilians to take possession of Lima, and that the vengeance of the lower classes, at least, will be directed against *them* for the very action which saved the city from destruction.

In the mean time it is a most ominous fact that the general-in-chief of the Chilian forces is constantly harping upon what he calls the treachery of the Peruvians in opening the battle of Miraflores during the armistice which had been agreed upon, and this for the purpose apparently of justifying extreme measures of retaliation. The effort seems to be, on the part of the Chilians, to fix upon Piérola the preconceived design of violating the armistice, and in this view the Actualidad of the 31st ultimo contains an article setting forth what purports to be a telegram from a Mr. "Velazco" (some irresponsible person) to the prefect of Callao, stating, on the authority of a report by the Miraflores Railroad that the Peruvians were about to attack, &c. (a copy of which telegram, and the article in the paper, I inclose, with a translation). In reference to this I wish to say, first, that I doubt the authenticity of any such telegram. No Peruvian speaks of that railroad as the Miraflores Railroad, but always as the Chorrillos Railroad. Second, if the dispatch be genuine, it only purports to be a report by the railroad, for which the commander of the Peruvian forces was in no way responsible; and was probably the natural inference of the reporter (whoever he was) from the close and increasing proximity of the lines of the respective armies.

The whole diplomatic corps were witnesses to the utter surprise on the part of Piérola and his staff at the opening of the battle, and all saw the confusion, the surprise, &c., and "mounting in hot haste" of Piérola and his staff at the sound of the guns. From all that can be learned, thus far, the surprise was equally great on the part of General Baquedano and his staff. But from the best information I can thus far obtain, it would seem (that though Baquedano had reserved the right to complete the movement of his forces already commenced), the Peruvian forces did not understand that he was at liberty to move up into their very faces, or into their lines, as this would be to make the armistice a farce; and I am inclined to believe that the movement of the Chilians upon the Peruvian lines was such as to induce the latter to believe an immediate attack was intended, and that thus provoked some Peruvians, without proper authority, fired the first gun.

But I will not undertake to decide so grave a question without further evidence. One thing is, I think, entirely clear, that the great mass of the Chilian soldiery came here under the belief that they should be gratified by the sacking and plunder of Lima, and that the general-in-chief, who naturally seeks to retain the good will of his soldiery, may feel a little cramped by the terms of surrender which he accorded at the instance of neutrals, and may therefore not be strongly averse to indulging the general understanding and wish of his soldiers upon any pretext which might excuse it, seems to me not wholly improbable, though I shall be slow to credit this until the event shall demonstrate it. And I hope there may be nothing to afford even the pretext for such indulgence.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure in Mr. Christiancy's 237.—Translation.]

THE PERFIDY OF MIRAFLORES.

CALLAO, *January* 31, 1881.

Editors La Actualidad:

In the account of the battle of Miraflores, given by you in No. 78 of your paper, you state that in the Chilian general staff, at first, the rupture of hostility on the part of Miraflores, the 15th instant, was attributed to the hastiness of some inexpert and nervous Peruvian chief, but that afterwards light was thrown over the subject, and it was discovered that the responsibility of what occurred there rested on the Peruvian dictator. Closing your article, you say that the part of the veil which shadowed over the mysterious tragedy of Miraflores and which the hands of contemporaries did not raise, will be raised by the hands of history.

My purpose, Mr. Editor, is to contribute for my part to that task of serious investigation, communicating to you a document which fully confirms your assurance, and discloses clearly the preconceived treacherous blow which cost so many valuable lives of the Chilian army, and covered with mourning the most respectable homes of the Peruvian capital. That document is the following telegram sent from the palace to the commander-in-chief of Callao, at 1 p. m., the 15th instant, one hour before the firing commenced.

[Telegram from palace.]

"Mr. PREFECT: From the railroad of Miraflores they communicate *that within a few moments the combat will commence. The line formed, only wait orders to fire. Much enthusiasm.*

"VELAZCO."

"A true copy:

"D. CAVIAZCO ALBANO,
"*Secretary General.*

"Yours, &c.,
(Signed thus:)

As it is seen, at 1 p. m., the hour in which the armistice agreed upon the same morning was in all its vigor, and the conquerors of Chorillos were completely careless in the Peruvian camp of Miraflores, one of the most treacherous attacks, and one of which there is no record in history, was preparing, and *the line formed only waited orders to fire* on a credulous and confiding enemy.

As it is seen, an hour before the battle commenced, the army of the Peruvian dictator was ready to fire, and that violent breach of military agreement produced *much enthusiasm* in the ranks of its infractors, instead of serious disquiet.

This is a shameful discovery for the authors of the scandal and specially mortifying to South American soldiers, a discovery which we could leave aside, without commentary, in the archives of human misery, should it not involve lessons, which the directors of the Chilian army should avail themselves of, and the dignity of foreign representatives in Peru should not stand between.

The Chilian military authority will know, doubtless, what is to be hoped of the word and loyalty of a chief who laid for his generous adversary the nameless ambuscade of Miraflores.

The foreign diplomatic corps for its part, remembering the compromising part which they were obliged to perform in the conclusion of the armistice, and the audacious and brutal farce of which its members were the object, making them go to Miraflores in the moments in which, as it resulted in the telegram we publish to-day, the attack was preparing, will no doubt assume a resolute attitude towards the government which used towards them such unjustifiable proceedings.

The faith of the arrangements insolently violated and the stream of Chilian and Peruvian blood shed without object demand an exemplary punishment.

No. 302.

Mr. Piérola to Mr. Garcia.

[Telegram.]

JAMAICA, *February* 8, 1881.

After two desperate battles, we have evacuated Lima and Callao, to remove pretexts for outrages by the enemy.

The government has retreated to the interior, determined to resist to the last extremity, but without refusing to treat upon bearable (*tolerable*) bases.

Mr. Christiancy has no instructions.

Arbitration by foreign neutral powers would be the best and most efficacious.

PIÉROLA.

No. 303.

Mr. Evarts to Mr. Christiancy.

No. 123.] DEPARTMENT OF STATE,
Washington, February 16, 1881.

SIR: I have this moment received from Mr. Garcia, the Peruvian chargé d'affairés in the United States, the following telegraphic dispatch, which came by the way of Jamaica:

After two desperate battles, we have evacuated Lima and Callao, to remove pretexts for outrages by the enemy.

The government has retreated to the interior, determined to resist to the last extremity, but without refusing to treat upon bearable (tolerable) bases.

Mr. Christiancy has no instructions.

Arbitration by foreign neutral powers would be the best and most efficacious.

PIÉROLA.

The Chilian minister informs me to-day that he has no information whatever but the public announcement of the occupation of Lima. I am also without any dispatch or telegram from yourself or Mr. Osborn, giving me any information of the recent important results of the war, such as have been publicly reported. Under these circumstances, and in view of the telegram above quoted, I find it necessary to desire you to press upon the Government of Peru, and on such Chilian authorities as you may have access to, the earnest desire of this government to bring about a peace without unnecessary delay and upon reasonable and honorable terms, compatible with the true welfare of all the belligerents, and so as to be lasting.

You will urge the desire of this government with that pressure which appears to you admissible under all the circumstances, and proper to the gravity of the occasion.

I am, &c.,

WM. M. EVARTS.

No. 304.

Mr. Christiancy to Mr. Evarts.

No. 240.] LEGATION OF THE UNITED STATES,
Lima, Peru, February 15, 1881. (Received March 18.)

SIR: I have the honor to inclose to you the copy of a letter of October 5, 1880, written by Mr. Valderrama, secretary of foreign relations, of

Chili, to the French minister at Santiago, in reference to the protection of neutral property in the contemplated expedition upon Lima and Callao; also a translation of the same.

Also a copy and translation of a letter of Mr. Pinto (minister of Salvador), the dean of the diplomatic corps in Lima, to the general-in-chief of the Chilian forces, dated December 28th last.

Also a letter of General Baquedano, in reply to last above, dated December 30, 1880.

Also a letter of January 1, 1881, from Mr, Pinto, the dean of our diplomatic corps, to General Baquedano, in reply to his last above, with translation.

Also a copy of a letter of General Baquedano in reply to the last above, dated January 6, 1881, with a translation.

Also a copy of a letter from General Baquedano to the dean of the diplomatic corps, dated Chorillos, 15th January, at 11 p. m., with translation.

No. $\frac{4}{240}$ (above) embodies the principles which I had the honor to submit to the diplomatic corps, on the day of its date, in the shape of a simple declaration of principles adopted by the corps, and stated in a slightly different form in the letter.

I have included all the above that you may have a full view of the correspondence in reference to the transactions alluded to; but the most important of all, in reference to the numerous claims likely to be presented against Chili by American, Swiss, and Colombian citizens, is the above No. $\frac{1}{240}$. This was written to the French minister in Chili, in answer to a letter of his, in behalf of *all* neutrals here; and the answer No. $\frac{1}{240}$ applies equally to *all*. It was sent by the French minister in Chili to his colleague here and presented to and read before our diplomatic corps, as it was no doubt intended to be.

It will be seen it adopts the very plan of protecting neutral property which had been already adopted by us, and this plan we continued, not only in Lima, but in Chorillos, Miraflores, and everywhere else in Peru; and we trusted and believed that this plan would prove effectual, and that the neutral property, having the placards with the certificates and flag referred to, would be respected by the Chilian forces; at least, that such property would not be deliberately taken or destroyed *without* military necessity. Of course we did not expect such protection against the risks of battle, or those naturally incident to the taking of a town by bombardment or storm, while any resistance was kept up in such town. But, even in such cases, we did think we had a right to rely upon the promise of the Chilian Government, that such property should not be deliberately taken or destroyed, after all resistance and all fighting had ceased, and especially one, two, or three days after, when all necessity for its taking or destruction had ceased.

Now, it clearly appears from the official report of General Baquedano, that all fighting, even in Chorillos, had ceased, and that his victory then was complete at 2 o'clock p. m. of the 13th January, (see extract from that report, here inclosed, and referred to in the margin). And yet that "the towns of Chorillos and Barranco, as a consequence of their resistance, were destroyed and burned." Now, the fact, as I am informed from all quarters, is, that there was no fighting at Barranco (a village intermediate between Chorillos and Miraflores), and that no fire of any importance occurred until about 5 or 6 o'clock p. m. in Chorillos; that at about the hour last mentioned, the most densely built part of the town was deliberately set on fire by the soldiery, and every living inhabitant in the town—of whom there were many who

had remained—having been killed, most of them were piled up in the houses and burned with them. But a large portion of the best houses in the town, many of them owned by neutrals (some American, some Swiss, and, I think, some Colombian, among the rest), were deliberately burned the next day, and some of them two days after, after having been robbed of their furniture (most of it of the most costly kind), which was sent on board the Chilian fleet, before the torches or hand-grenades were applied to the houses; and these very houses had upon them the flags and placards agreed upon with the Chilian Government.

And when I state what I am on all hands informed, is the fact, though I do not personally know it, that the house sometimes occupied by the minister of Brazil and that of the Brazilian consulate, were spared (a fact which shows the alliance between Brazil and Chili, explaining the reason why the Argentine Republic had been kept quiet during this war), and that a guard was sent to protect the house sometimes occupied by the French minister, who had a friend upon the Chilian general's staff, it will be hard to resist the conviction that the burning of the rest of the town was deliberate, and after all necessity for such destruction had ceased.

As to Barranco, where there had been no fighting, the British minister, who went out with our dean and the French minister to see General Baquedano, on the morning of the 15th (two days after the first battle and before the second) informed me that as he passed Barranco the Chilian soldiers were engaged in deliberately burning the town.

The same thing, as I am informed and believe, took place at Miraflores, inhabited largely by neutrals, among whom were several American and Swiss, who had the proper flags and placards up. A part of the town was burned the night after the battle of the afternoon of the 15th; but some of the best buildings one and two days after.

Now, it is precisely upon this ground that the robbery and destruction were deliberately committed, after all necessity or excuse for such acts had ceased, that many claims have already been filed by American and Swiss citizens in this legation. These claims I have not yet forwarded to Mr. Osborn in Chili, believing it best, first to submit, as I now do to you, the substantial facts upon which all of them must rest, and to take your instructions whether to send them first to your department, or to Mr. Osborn.

I have the honor, &c.,

I. P. CHRISTIANCY.

[Inclosure No. 1 in No. 24.—Translation.]

Mr. Valderrama to the French minister to Chili.

SANTIAGO, *October* 5, 1880.

SIR: After the conference which I had the honor to hold with your excellency yesterday, and during which your excellency signified to me the warm interest which you feel that the Government of Chili should adopt efficacious measures to guard the persons and interests of neutrals in the event that the proposed expedition of the Chilian forces on Lima should be realized, I have been commissioned by his excellency the President, to address a special note to the general-in-chief of the army of operations, in order to satisfy, as far as possible, the wishes expressed by your excellency. In fulfillment of it, I address this day a note to the general-in-chief, in which I bring to his knowledge:

1st. That the government wishes that neutral persons and their interests be carefully respected during the military operations against Lima and Callao.

2d. That in order to make such respect practicable, to hear the indications which the honorable dean of the diplomatic corps may make, and to attend all those which without embarrassing in any way the action of our forces may tend to guarantee neutral persons and their property.

3d. I also tell him that your excellency has indicated to me, in order to have neutral persons and their interests easily certified to, the former will hold a certificate of the legation of which he is a citizen or subject, and the latter will have, besides the flag of its nation, a placard, authorized by the seal and signature of the legation, fixed in a visible place on the property.

The government feels confident that the general-in-chief will take special care in harmonizing the important interests of neutrals, with those corresponding to Chili, as belligerent.

I improve this opportunity to reiterate to your excellency the sentiments of high and distinguished consideration with which I am, &c.,

MELGUIADES VALDERRAMA.

[Inclosure 2 in No. 240.—Translation.]

Mr Pinto to General Baquedano.

LEGATION OF SALVADOR,
Lima, December 28, 1880.

Mr. GENERAL-IN-CHIEF: The diplomatic corps accredited in Lima, anxious about the perils to which the important and valuable interests confided to their care may be subjected, on account of the struggle which soon is to take place at the doors of the city, has agreed that the undersigned, as the dean of the corps, would place himself in immediate communication with your excellency, thus following also the indication from the cabinet of Santiago, with the object of providing in common accord the means which may be adopted to diminish, as much as possible, the risks and perils to which the foreign colonies may be exposed.

The attention of neutral governments has, for some time back, been directed to the disentanglement of the present war, and to the possible eventualities which, in all cases, may affect the conditions of its numerous citizens, and whose interests can be reckoned at hundreds of millions.

With this motive, for the legitimate purpose of securing due protection to such valuable interests, the governments which have legations established in Santiago prescribed to those legations in advance to make such efforts with the Government of Chili as may tend better to reach that end, and the security of our compatriots without embarrassing the military action of the belligerents.

In accord with those precautions our colleagues at Santiago, after an understanding with the Government of Chili, which gave its best attention to those observations, have solicited our indications as to the measures which, according to our judgment, would be more efficacious for the object proposed. In consequence we have drawn and forwarded to them the annexed scheme, a copy of which we inclose, which has met the express and implicit approbation of all our governments.

The cabinet of Santiago, supposing that, perhaps, in certain cases, military operations would prevent the complete application of the measures proposed, has preferred not to bind itself with, but to adopt definitely only a part of the project referred to, promising, as to the other part of the same project, to send orders to the commander-in-chief of the expedition with the view that said commander will have an understanding with the diplomatic corps, represented by its dean, in relation to those measures which circumstances will permit to adopt for their most ample fulfillment.

I am now placed under the circumstances to propose to your excellency the commencement of those relations of reciprocal intelligence, which place us in a relation for me to fulfill the duties of my position under the present circumstances, and on the part of your excellency to accomplish the orders of your government, being both able to concur, through our agreement, to attenuate and lessen the horrors inherent to the war, and recognizing, in that manner, the age of civilization which we now enjoy.

As far as it concerns us, we have endeavored that all foreigners be provided with a certificate showing their nationality, allowing them to fix, in a visible place on their domicile or house of commerce, a placard with their national colors, authorized by their respective legations or consulate general. This placard and the national flag which most of them will hoist will be sufficient proof. Besides we have established certain private localities, which will be recognized by special signs and held by persons duly authorized by us, which will be the deposits of goods of our respective citizens, and asylums for their families, when these should feel themselves in better security there. In order that your excellency may have a better judgment of this I an-

nex to the present a plan of Lima, in which the legations, the asylums and deposits of goods, and foreign houses of commerce, are shown, upon which we wish to call the attention and care of your excellency by reason of their special nationality. Your excellency will find also, in the same plan, the houses of every one of the members of the American congress of jurists in Lima, whose existence in Lima is well known by the cabinet of Santiago, and whose title and duties are evidently worthy of special consideration.

As to the indications which we think it our duty to make to your excellency, they could evidently not differ from the programme already proposed to the Government of Chili, and which, as before stated, has received the approval of our governments. For the rest, we have always understood that the measures which your excellency will adopt, will be according to the legitimate exigencies of the war and the security of the army under your command.

Among those measures, there is one, above all, which the diplomatic corps allows itself to recommend specially to the consideration of your excellency. It is that in relation to the entry of the troops, in the case that by consequence of events, the city of Lima should capitulate or cease to be defended. In such case, in fact, the entry in mass, of numerous troops, without necessity, would occasion great inconvenience. For that reason, besides consulting the way to obviate inconveniences, we think there would be positive advantages, in the successive entries of the troops, and that such entry should be made only by a number sufficient to guarantee its occupation.

This is a measure we have no doubt has already occurred to your excellency, as others proper for the occasion, which will tend to avoid unnecessary evils, to humanize the war, and to reduce its destructive action to the limits prescribed by the rights of nations and Christian civilization, under which guard modern nations are ennobled and dignified.

As to the rest, promoting this communication for mutual intelligence, I think that I have only anticipated your excellency's ideas in the same sense, since through them we prevent as much as possible the horrors of the war, and avoid prejudice to the neutrals resident in these countries, and perhaps their unnecessary ruin—which might give room to grave complications—and at the same time avoid the criticism, more or less severe, on the countries engaged in the struggle by other nations of the world which are contemplating them.

I improve this occasion, Mr. General-in-Chief, to offer to you rexcellency the assurance of my high consideration.

J. DE T. PINTO.

[Inclosure 3 in No. 240.—Translation.]

General Baquedano to Mr. Pinto.

LURIN, *December* 30, 1880.

I had the honor to receive the note dated 28th instant, in which your excellency, as the dean of the diplomatic corps, resident in Lima, has been pleased to address me, with the view to establish correspondence between us, in order to avoid as much as possible the damages which may be suffered by neutrals in their persons and property by the operations which the army under my command may realize in defeating the army defending that capital.

It is very satisfactory to me to say to your excellency, in answer to the note above mentioned, that it is with pleasure I initiate those relations, and that should your excellency wish, either to communicate with me personally or by written letters, you will always find me disposed to receive with kindness all those suggestions which tend to lessen as far as possible the wrongs and evils of the war.

I will do, in that light, all in my power, if the army of the enemy do not make of the city of Lima the base of its defense.

But, if the contrary takes place, and I should be obliged to take it by assault, your excellency will understand that it could not be possible for me, either to give a term before commencing hostilities against that capital, or limit the consequences of that combat and the occupation by main force, as your excellency and myself wish it. In that case the city will forcibly be subdued to the rules of war and suffer all its rigorous consequences.

Wishing that the relations initiated by this note may efficaciously tend to the humane views which have influenced your excellency in addressing your excellency's note to me, I improve this grateful opportunity to offer to your excellency the assurance of my highest consideration.

MANUEL BAQUEDANO.

[Inclosure 4 in No. 240.—Translation.]

Mr. Pinto to General Baquedano.

LEGATION OF SALVADOR,
Lima, January 1, 1881.

MR. GENERAL IN-CHIEF: I had the honor to receive the answer your excellency has been pleased to give to my letter of the 28th December last, the contents of which were immediately placed before the diplomatic corps for their knowledge.

My colleagues accept with pleasure the assurances which your excellency has transmitted. They could not but conceive doubts on your excellency's answer referring to the principal part of my note, that part which refers to the entrance of troops into Lima. This part involves great importance in the opinion of our governments, expressly approved by many of them, and we must, therefore, insist again and solicit of your excellency to let us know in a precise manner if your intention is, as we understand it, to let but a limited number of selected force enter the city in the particular case that it should not be taken by storm.

It must have come to the knowledge of your excellency the rumors given by the press of Chili relative to the sacking of Lima, notwithstanding that we understand this is not the idea of the Government of Chili, proper only to past ages, we cannot leave aside and must take into consideration that the suggestions thrown to the public might have raised in the minds of soldiers tendencies against which special precautions are necessary.

We are placed now under the necessity to point them out to your excellency, not doubting, however, that you are willing to adopt them in order to prevent unnecessary wrongs, and cover your responsibility before your own country and the opinion of the world.

We do not deny that, in the event of the city of Lima being taken by main force, it would be impossible to limit the entrance of troops, nor for the city to avoid undergoing all the rigorous eventualities of the war. Nevertheless, we cannot, and we ought not, to reckon among those eventualities the plunder of this city. Your excellency knows well that the laws of war, as they are now accepted by Christian civilization, condemn the plundering of private property, as also attacking defenseless and non-combatant persons, even in the case of a city being taken by assault. Our ideas agree generally on that point, and your excellency will readily understand that it could not be possible for us to remain indifferent at witnessing scenes condemned by the unanimous opinion of the countries we represent.

The diplomatic corps is grateful to your excellency for the frank deference with which your excellency accepted the relations it initiated, and hope they will not prove fruitless towards the noble purpose of humanizing the war, saving, as much as possible, large neutral interests not involved in it, and the reputation before universal public opinion of the people who sustain it.

Having thus fulfilled the commission received from my colleagues, it remains for me to renew to your excellency the assurance of my high consideration.

JORGE DE T. PINTO.

[Inclosure 5 in No. 240.—Translation.]

General Baquedano to Mr. Pinto.

No. 423.] LURIN, *January* 6, 1881.

MR. MINISTER: I have this moment received your excellency's note, dated the 1st instant, in which your excellency asks if, in the event that the city of Lima opposes no resistance against the force of my command, I will occupy it only with a select force? In the contrary case, which is that of resistance, your excellency and honorable colleagues of the diplomatic corps condemn plunder, and wish to have security that my troops will not perform such acts.

In answer to that letter my duty is merely to declare to your excellency that the purpose of my government and my own is clearly stipulated in my note of December 30 last.

Your excellency may understand that the passionate declarations of the press of both belligerent countries cannot be the subject of official discussion. Consequently your excellency will allow me not to refer to the suggestion I found in the note of your excellency as to the instigation of plunder which your excellency has thought to have found in the press of my country.

As to the rest your excellency may rest assured that my firm intention is to humanize the war and prevent unnecessary wrongs to undefended inhabitants in accord with the progress of the civilization of this century.

But to this only my promise must be limited, because the future means which I may adopt, will depend upon circumstances which I cannot foresee nor your excellency stipulate, because they will necessarily correspond with the attitude the army of the enemy may assume.

I improve this opportunity to reiterate to your excellency the assurance of the high consideration with which I subscribe myself your excellency's obedient servant.

MANUEL BAQUEDANO.

[Inclosure 6 in No. 240.—Translation.]

General Baquedano to Mr. Pinto.

CHORILLOS, *January* 15, 1881.—11 p. m.

Mr. DEAN: Your excellency knows that in consequence of the initiative voluntarily taken by the honorable diplomatic corps to cease hostilities against that city I have not carried into effect this morning the attack prepared against the forces of the Peruvian army defending Miraflores.

Your excellency knows, and the honorable ministers of France and England also know, that I, during the conference which we had to day, refused to prolong the term asked from me in order to interpose their good offices near the Government of Peru with the same pacific view; but that at last yielding to the repeated entreaties of your excellency and of your honorable colleagues, and as a proof of special deference to neutrals, I consented to wait for the answer which your excellency was to give to me until midnight of this day.

Well, the army of the enemy, whose chiefs were to know the arrangements made by the honorable diplomatic corps and to have received proper orders, opened fire to-day at 2.20 p. m. upon the undersigned, his chief of the general staff and aids who reconnoitered the field to see the situation of our troops.

This treachery of the enemy obliges me to hasten the operations under my care, and, in consequence, I address myself to your excellency craving to communicate to your honorable colleagues the resolution I made to bombard to-morrow, if I think it opportune, the city of Lima, until I obtain its unconditional surrender.

With sentiments of distinguished consideration, I subscribe myself, your obedient servant,

MANUEL BAQUEDANO.

[Inclosure 7 in No. 240.—Translation La Actualidad, Lima, February 4, 1881.]

Extract from General Baquedano's report to his government dated January 16, 1881.

* * * At nine our victory was complete in Chorillos and on the fortified hills extending to the south; but about 8,000 men which remained there still continued to resist. With these forces a second battle took place. It was necessary to drive them out from each one of the streets and houses of the town and from the heights, which they held. This obstinate combat lasted until 2 o'clock p. m., at which hour the battle was over with a victory which gave us possession of the enemy's entire line and of the towns of Chorillos and Barranco, which as a consequence of their resistance were burned and destroyed.

No. 305.

Mr. Christiancy to Mr. Evarts.

No. 242.] LEGATION OF THE UNITED STATES,
Lima, Peru, February 16, 1881. (Received March 18.)

SIR: Referring to my dispatches Nos. 230 and 232 in reference to the question of peace, and with what Peruvian Government it is to be made, I have the honor to state that though, in many respects, the condition of things remains substantially the same as when those dispatches were written, yet some slight progress has been made toward a solution.

1st. The Chilian authorities here, even before the last battle, had declared that upon the question of peace they should decline the mediation of any other nation, and since they have been in Lima, they have declared that they would not accept, even the good offices of any neutral government, nor those of their diplomatic representatives here, and that they will only treat with the Peruvian Government.

2d. While for some time after their entrance into Lima, they professed to be ready to treat with Piérola as the only recognized government of Peru, yet after the letter of Piérola, or rather his secretary-general, to the diplomatic corps, dated the 20th January, 1881, had been published (I think by Piérola in some paper in Peru), a copy of which, with a translation, will accompany my next dispatch, No. 243, the Chilian authorities here have declared that they would not recognize Piérola as the Government of Peru nor treat with him until that letter should be withdrawn. And efforts have been made to initiate another Peruvian Government under the auspices of the "notables" at and near Lima. But none of the various parties seem to have men of sufficiently commanding influence to secure the general popular support, and none of them to be willing to incur the hazard of assuming powers of government while Piérola remains as dictator and does not resign.

In the mean time the Peruvian judicial officers, having been invited to enter upon the exercise of their jurisdiction, which they have declined to do, martial law, which is certainly better than no law, has been proclaimed in Lima, Callao, and the surrounding country in possession of the Chilian forces; their courts-martial adjudicating summarily and giving only verbal decrees and judgments, which are promptly executed by their military authorities. And I am glad to be able to testify that the Chilian officials have conducted themselves with great propriety and fidelity in the preservation of the peace and good order of the city of Lima.

Several outrages, rapes, robberies, &c., it is true, have been committed by individuals of the lower classes of their soldiery, but for which, as I am informed, the offenders have been severely punished as soon as they could be discovered.

Piérola remains at Tarma and sometimes at Jauja, beyond the first range of Andes, the Chilians having control of the whole of the Callao, Lima and Oroya Railroad to Chicla, its present termination.

Several Peruvian missions have been sent to confer with him, with the sanction of the Chilian authorities, and though he was, at first, averse to any attempt at negotiation, yet since then, finding himself without funds or arms, and utterly unable to carry on the war, he, nearly a week since, resolved to negotiate for peace, and for that purpose appointed three plenipotentiaries resident in Lima, and the necessary instructions were given them. But one of these commissioners has declined to accept and this produces another delay of about a week.

But the two other commissioners have had informal conferences with the Chilian authorities, who, as I am informed, do not refuse to treat with Piérola, provided the letter in question shall be withdrawn.

The terms will, of course, be such as Chili chooses to dictate, a capitulation or surrender at discretion on the part of Peru, which is utterly prostrate, and, from the Andes to the sea, virtually in their possession and completely under the control of Chili.

But Chili has, by this last supreme effort, also exhausted herself, and could not continue to contest much longer, except as she can contrive to live upon Peru, and make her bear the expenses, which she is now attempting to do, having just sent an expedition of some 6,000 men to the region

of Trujillo, probably for the purpose of levying contributions, and destroying property which does not pay them. They have also established a commission here to levy upon the inhabitants of Lima and Callao a forced contribution, and it is understood the lists are now being made out. The decree or bando for this does not expressly exempt even neutrals, though it is the opinion of the diplomatic corps generally that neutrals are not intended to be included. We shall soon see; and if neutrals shall be included there will probably be an energetic protest from the diplomatic corps.

It is evident that Chili means to leave Peru in a condition which shall not render her a dangerous neighbor hereafter. She will now probably demand the cession, not only of Tarapaca, but of the province of Moquegna, including Arica and Tacna, thus depriving Peru of most of her nitrate deposits and many of her guano-beds. And, judging from the tone of the Chilian paper in Lima (the Actualidad), there is some reason for supposing that Chili is now endeavoring to instigate the government of Ecuador to seize upon the northern portion of Peru, a part of which once belonged to Ecuador; and I should not be surprised if Brazil, taking advantage of this opportunity, should take possession of a large portion of Northeastern Peru (the best portion of it, but now held by the wild Indians), and that by these several means the most important portions of Peru should be partitioned among her neighbors, a result which, should it take place, will not be calculated for the preservation of peace in any of these countries.

I have, &c.,

I. P. CHRISTIANCY.

No. 306.

Mr. Evarts to Mr. Christiancy.

No. 129. Confidential.] DEPARTMENT OF STATE,
Washington, February 17, 1881.

SIR: The question of the restoration of peace in South America, ever present to this government, as you will have amply seen by my instruction No. 123 of the 10th instant, of which I send a duplicate to you by the hands of the same messenger who carries this present instruction, is presented to me to-day in a phase which I feel warranted in making known to you with whatever of confidence and reserve its nature may counsel.

Your latest dispatches, received here on the 15th instant, cover dates up to the 23d ultimo, and represent the success of the Chilian arms, as shown in the occupancy of the national metropolis by the invaders and the administration of its affairs by their officers, thus confirming the advices of the public press. And yet, at your time of writing, this condition of affairs left it problematical how far the prospect of a successful negotiation for ultimate peace might have been thereby hastened.

This Department has been approached by Count Montferrand, of Paris, and Mr. Suarez, understood to be a Peruvian citizen, with certain proposals or calculations of important financial interests in Europe looking to financial aids and facilities to enable the two nations to liquidate advantageously to both, as it is argued, the obligations produced by the war and needing to be met as part of the terms of peace.

I have said to Mr. Suarez, who goes to Lima by the same steamer which carries this instruction, that I am always ready to press the mediation of this government towards early and honorable peace between the belligerents; that the financial facility and aid which the private interests he represents can furnish towards a liquidation of the pecuniary obligations that the war may have created and which may need to be met, are calculated to assist the restoration of peace; that, in this light, they will be laid before the representatives of the United States in Peru and Chili; and that any further responsibility of this government can only be determined by actual negotiations between the belligerents asking this government to assume them.

The "programme," as it is called by these gentlemen, it would seem, might form an element in the calculations of the belligerents as to the resources at their recourse in settling the terms of peace.

In this sense I have inclosed herewith two copies of the "programme" for your consideration, and for such comparison of views on it as Mr. Suarez (should he call on you) might invite and you might find it prudent to hold.

It is to be observed that any part or responsibility that this government might be asked by the belligerents, or by any financial administration that might be admitted by them into the adjustment considered or adopted to take, is reserved by this government to be treated with entire freedom whenever the matter should arise for consideration.

Count Montferrand and Mr. Suarez have both come to me under respectable introductions, and the financial bodies and persons whom they appear to represent, are well known and of much weight in financial circles.

You will, however, understand that the matter is placed before you only as an element which, if it can be made valuable and conducive to peace, this government would not like to have wanting to the belligerents, if their negotiations would find it useful.

You can impart to your colleagues, Mr. Osborn and General Adams, as much of this communication as occasion may suggest, but always in confidence.

I am, &c.,

WM. M. EVARTS.

[Inclosure.]

Programme for mediation between Peru and Chili.

I.

The neutrality of the guano and nitrate deposits, so as to avoid ill-feeling between the two nations, which would result from a surrender of the territory, and at the same time to guarantee to the creditors said deposits (pledged to them), against all future difficulties or competitions.

II.

The working of the neutral deposits to be entrusted to an institution of credit, offering a financial basis of unquestionable standing and ability to assure public confidence in any engagement it shall undertake in regard to all the interests.

III.

THE BASIS OF THE TRANSACTION.

The contract of the Credit Industriel, dated at Paris, January 7, 1880, so modified as to give satisfaction to every interest, allowing, namely:

First. *To Chili.*—The royalty claimed by her of £1 10*s.* per ton, or £450,000 per annum, which would permit a loan of £4,000,000 to be raised to pay a reasonable war indemnity.

Second. *To Peru.*—The amount which she has declared indispensable for her internal budget, £450,000 per annum.

Third. *To the bondholders.*—The balance, which represents 3½ per cent. on the principal of the standing debt.

IV.

The funding of the nitrate debt in order to permit the redemption of the guano Peruvian debt, and to increase, if necessary, the royalties appropriated to Peru and Chili.

V.

To lay a cable from Panama to Peru (Callao), to aid the development of commercial relations with the last-named country, and assist in the restoration of her credit. There could be appropriated for the benefit of said cable a subsidy to be derived from the funded nitrate debt.

We can assert that this programme, should it be proposed by the United States, would be endorsed by the great European powers whose subjects are the creditors of Peru, mainly England, France, Belgium, and Holland.

STATEMENT.

FIRST.

The guano, including manipulation and mixing of same, will yearly produce on a sale of 300,000 tons		£3,600,000
I. Freight and expenses, estimated at £4 per ton	£1,200,000	
From which is to be deducted—		
II. Peruvian royalty, £1 10*s.*	450,000	
III. Chilian royalty, £1 10*s.*	450,000	
		2,100,000
		1,500,000
IV. Remuneration to the Credit Industriel of 20 per cent. on the net proceeds		300,000
Leaving to be distributed every year to the bondholders, viz, 3½ per cent.		1,200,000

SECOND.

The expropriated nitrate produces, per annum, on a sale of 200,000 tons, at £14 per ton		£2,800,000
I. Manufacturing and transporting to the place of shipment, at, say, £6 per ton	£1,200,000	
From which is to be deducted,		
II. Freight and expenses, say, £4 per ton	800,000	
		2,000,000
Net		800,000
The nitrate debt amounts to £4,000,000, and requires 8 per cent. interest and 2 per cent. sinking fund, viz, £400,000 per annum. This amount could be reduced, namely, make the interest 5 per cent. and 1 per cent. sinking fund, and to refund it in "bons de delegation," which, being negotiable in Europe, would secure to their holders more than they would lose by the change		240,000
Leaving a clear balance of		560,000

To be appropriated to—

The redemption of Peruvian bonds	300,000
Chilian royalty	100,000
Peruvian royalty	100,000
Subsidy to the cable	60,000
	560,000

The foregoing will therefore permit regularly to be appropriated each year:

I. *To Chili*, £550,000; that is to say, an amount more than sufficient to raise a loan of £4,000,000 to £5,000,000.

II. *To Peru*, £550,000; that is to say, more than the treasury has ever regularly received.

III. *To the bondholders*, £1,200,000. This is an income less than the one originally promised, £2,600,000; but it will be perfectly sure, as it will be protected against all chances by the neutrality secured.

It is sufficient to read the foregoing programme and the figures attached to it to acknowledge:

A. That said arrangement is acceptable to both nations, since it will permit them to settle peace without any sacrifice to their national pride, and securing to each one a large pecuniary compensation.

B. That said arrangement is acceptable to the creditors of Peru, since it gives to them a security which they have never had, in return for abandonment of a portion of their interests.

C. That said arrangement would be acceptable to any mediator, since it does not impose a sacrifice of any interests, and it permits the restoration of the credit of two nations, whose ruin will cause trouble in the commercial world.

A. GUILLAUME,
President of the Peruvian Bondholders' French Committee.

No. 307.

Mr. Christiancy to Mr. Evarts.

No. 243.] LEGATION OF THE UNITED STATES,
Lima, Peru, February 19, 1881. (Received March 18.)

SIR: I have the honor to inclose the copy (and translation) of a letter from Aurelio García y García, secretary-general of Piérola, to the dean of the diplomatic corps resident in Lima, dated Canta, January 20, 1881. This is the letter which the Chilian officers and representatives here insist shall be withdrawn before they will consent to treat with Piérola as the Government of Peru.

Now, though the Chilian authorities have not, so far as I know, specified the particular part of this letter to which they object, yet I am inclined to believe it must be that part which charges the Chilians with having treacherously opened the battle in defiance of the armistice which had been agreed upon, as I am inclined to believe that all the other charges contained in the letter are true, and that they could not be successfully denied by the Chilian authorities. It is quite true, I think, from the universal reports which I have heard, that the towns of Chorillos, Barranco, and Miraflores were wantonly and unnecessarily burned, after all resistance had ceased, and that Barranco never resisted at all. I think also that it is entirely true that the Chilians murdered upon the field of battle, on the 13th, at least such wounded soldiers as they found upon the field from which the Peruvians had retired. They may or may not have excepted Peruvian *officers*, but the general report from Chilian officers, as given to me from officers * * who have conversed with them, is that as a rule they killed on the field all the Peruvian wounded who fell into their hands, with the occasional exception, possibly, of Peruvian *officers*.

I know that when at Arica, in September, the Chilian governor of the place informed me that in taking Arica they took no wounded Peruvian soldiers there, and from all I could learn from all sources the same was substantially the fact at the battle of Tacna, with very slight exceptions. It may be, and I hope it is, true that after the battle of Miraflores, when the Chilians knew the Peruvians were totally defeated and disbanded, they may have saved some of the Peruvian wounded found upon the field; but all their reports thus far have shown a greater number of Peruvians killed than wounded, which tends strongly to show the truth of the reports that the wounded Peruvians found upon the field were put out of their sufferings in the shortest possible manner. In making these statements I do not profess to speak upon my own knowledge, but upon the best information I can obtain, which I hope, for the honor of humanity, may turn out to be untrue.

What the letter says of the Chilian navy forming a line of battle in front of Miraflores and the advance of the Chilian army on the 15th after the armistice is, from the best information I can obtain, substantially true. It is at least quite certain that the Chilian army continued after the armistice to extend its left wing around and near the right wing of the Peruvian army, and these, at least, to approach much nearer to the latter; but whether the rest of their line advanced nearer is not so clear, though I think the weight of evidence, judging from all sources of information, is that they did advance in several parts of their line nearer to the Peruvian line.

But the great question is, whether the right to do this was or was not reserved by General Baquedano in granting the armistice. He claims that it was, while Piérola, through his secretary, in the letter in question, appears to ignore any such condition, and assumes that the battle was opened by the Chilians. Upon this point (who fired the first gun and thus opened the battle), while I and the rest of the diplomatic corps, being at Piérola's headquarters in Miraflores when the battle opened, supposed the attack had been commenced by the Chilians, yet subsequent information has gone far to satisfy me that the first gun was fired from the side of the Peruvians; probably the unauthorized act of some subordinate officer, provoked by seeing General Baquedano and his staff reconnoitering within a few hundred yards of their front, and probably also seeing the advance of the Chilian army near the right of the Peruvian positions.

But that General Baquedano believed that he had reserved the right to make these movements and this reconnaissance there can be scarcely room for doubt, as he was himself with his staff in the most exposed position when the firing commenced, and lost his horse, and was compelled to hasten to the rear and to bring up the troops who, like himself, had been thrown off their guard by the armistice.

On the other hand, I was, with all the diplomatic corps, an eye-witness to the utter surprise and astonishment, not to say terror, of Piérola and his staff, at the sudden and, to them and to us, unexpected opening of the battle; and I have not the slightest reason to doubt that they were relying in good faith upon the armistice, and believed at the time that it had been violated by the Chilians, and that the battle had been opened by them. Whether he learned the contrary during or after the battle I cannot say. As he was some little distance in the rear and fled when his forces were routed, I am inclined to think he had not learned the fact (that his own forces first opened fire) at the time when this letter of the 20th January was written.

The whole merits, therefore, in my view, turn upon the question what

were really the terms of the armistice? This was arranged with General Baquedano, *verbally* by the committee of the diplomatic corps (consisting of the dean and the ministers of France and England).

It is greatly to be regretted that in so grave a matter the terms had not been put in writing to avoid misconception and misconstruction. The letter of the secretary-general of Piérola, above referred to, gives what Piérola claims to have been the terms as communicated to him verbally. The Chilian secretary of war writing, or rather telegraphing, to his government on the 16th January, simply says, "A committee of the diplomatic corps, composed of the ministers of England, France, and Salvador, came yesterday to this camp at the request of the Supreme Chief of Peru, and an armistice was arranged between them and the Chilian commander-in-chief to expire at 12 o'clock of the same night." Here no conditions are mentioned.

General Baquedano, in reporting the same transaction to his government on the 16th, simply says of the armistice:

After mature deliberation, I promised not to open fire that day, and to wait their reply until 12 o'clock at night; as this kind of armistice involved no other compromise, I continued making my preparations for the combat.

Now, aside from these official declarations, I learn verbally from Mr. St. John, the British minister, that General Baquedano, in assenting to the armistice, did reserve the right to complete the movement already begun of massing his artillery on his left (the right of the Peruvian line), and he sometimes states it as a right to complete any movement already began; but, so far as I can learn, this was the only movement so begun. Now, whether this condition (whatever it was) was fully explained to and understood by Piéralo I think there is some room for doubt, though I am far from charging or believing that the French and English ministers or the dean of the corps purposely withheld from Piérola these conditions. Yet, in the haste and excitement incident to their conference with him, I can readily see that there was much room for misapprehension, and that Piérola may not have had the same full apprehension of these conditions that General Baquedano had.

This is all I can, with propriety, say of this affair until further authentic information shall be obtained.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure in No. 243.—Translation.]

Señor Garcia to the Dean of the Diplomatic Corps.

SECRETARY-GENERAL,
Canta, January 20, 1881.

After the battle of Chorillos of the 13th instant, between the part of the national army defending that line and the invading forces of Chili, his excellency the Supreme Chief of the republic ordered the retreat of the army on the positions of Miraflores, which were also the camp of the Lima reserve.

The morning of the 14th instant a Chilian flag of truce, accompanying Col. Miguel Iglesias, commander-in-chief of the first division of the Peruvian army, and who was made a prisoner during the battle of the previous day, made their appearance towards the right front of our line. Their object was to ask a pass for Colonel Iglesias, who, under word of honor, came on a mission from General Baquedano to the Supreme Chief. This being granted, Colonel Iglesias made known to his excellency the object of his mission, which was to ascertain if, on the part of the Government of Peru, propositions of peace would be heard. The affirmative answer of his excellency led to

an open field for any negotiation; he specifying moreover that those propositions could either be made by writing or verbally, by a negotiator duly authorized. With that frank answer Colonel Iglesias went back to the camp of the enemy.

Two hours afterwards a second flag of truce was seen by our advanced guards, and with it the Chilian chief, Señor Guillermo Lira Errazuris, who was introduced into the general staff of his excellency the Supreme Chief. The undersigned, who was ordered to communicate with the Chilian chief referred to, heard his proposition, which was to disoccupy immediately the positions of Miraflores in order to be occupied by the Chilian army; this was demanded as a previous and indispensable condition before commencing the discussion.

Miraflores being the support of our right wing and the dominant point of that second line of defense, such pretension was equivalent to exacting a complete victory without exertion or loss of any kind.

Similar observations and many others pertinent to the occasion, which I omit to state to avoid confusion, were not sufficient to modify in the least the ideas of the Chilian commissioner, whose intentions were evidently directed to his single object, going so far as to reject the proposition of a short armistice, which I stated as a means for discussion, free from the natural excitement of the recent contest which we had just sustained and in face of the new one which we now found imminent. In view of the impossibility of an agreement, we ended this fictitious negotiation for peace.

It was then when the friendly mediation of the honorable diplomatic corps accredited to Peru begun, initiated by a commission chosen from among them and composed of the honorable ministers S. St. John and De Vorges, who asked his excellency if Peru would accept their friendly mediation which they proposed, and offering at the same time to go to the camp of the enemy for that purpose.

Such worthy and benevolent proceeding will always be cause of gratitude from the people and Government of Peru.

The facility of communication, and afterwards that of going to the Chilian camp, which those honorable ministers, in representation of all their colleagues, have had are too well known to your excellency to mention them here.

But it is indispensable to remember, because it is for the prestige of those representatives, for that of the friendly nations to Peru, in which name they acted, and for military honor, which is uniform in all the civilized nations of the world, that negotiations of peace were opened under the friendly intervention of the diplomatic corps. His excellency receiving word through your excellency and the honorable ministers of Great Britain and France, Messrs. Spencer St. John and De Vorges, of the assurance given by the Chilian General Baquedano, and accepted by him in the same form, that no act of hostility would be practiced until 12 o'clock of the night of Saturday, the 15th, the time which said general limited to receive an answer to the propositions of peace, and which declaration, according to the rules of war, constituted a true armistice.

Notwithstanding such solemn agreement, the Chilian navy, composed of 14 ships, formed a line of attack in front of Miraflores from the morning of the 15th, and the army on the other hand advanced in line of battle in front of our line, shortening the distance to some 1,800 meters, placing conveniently its artillery, and taking advantageous positions which they could not have taken without great sacrifice.

Of all these movements, which infringed what had been agreed upon, his excellency the Supreme Chief received constant notice, in the presence of Admiral Sterling, of the British fleet in the Pacific; Admiral Du Petit Thouars, of the French fleet; the commander of the corvette, Christoval Colon, chief of the Italian fleet, and another commander of an English vessel, all of whom went there to offer their humane and friendly action; but as all this took place in the rooms inhabited by his excellency the Supreme Chief, in the presence of all the members of the diplomatic corps, it was impossible to the loyalty of the Supreme Chief to admit that, under such exceptional circumstances, an act of perfidy was intended to be realized which could hardly occur even among the half-savage tribes of Africa or Araucania.

While this was happening, his excellency, as also your excellency, the admirals and commanders, who at that moment were in his company, received as first notice the fire which simultaneously broke out at 1.30 p. m.* from the Chilian army and navy upon Miraflores, and on our right wing, beginning thus the battle of Saturday 15th, which treacherous origin was witnessed, with imminent peril of their lives, by your honorable colleagues, the admirals and commanders already named, as also the naval officers of the United States, France, Great Britain, and Italy, who were added to our general staff.

The soldiers of a nation who, like those of Chili, have, with many of our chiefs and officers prisoners, coolly and cowardly shot them, assassinating on the battle-field the helpless wounded, and totally burning, after their occupation, the towns of Chorillos, Barranco, and Miraflores, and following the fatal logic of barbarism, were bound to disregard all moral respect and military agreement.

* The actual time was 2.20 p. m.—I. P. C.

The object of the present letter, which I have been ordered to address to your excellency, is to leave an official record of the authenticity of those facts, craving your excellency to give a copy of it to each of your honorable colleagues, for all of whom this is intended.

I remain, &c.,

AURELIO G. Y GARCÍA.

No. 308.

Mr. Christiancy to Mr. Evarts.

No. 245.] LEGATION OF THE UNITED STATES,
Lima, Peru, February 25, 1881. (Received April 5.)

SIR: Referring to my dispatch No. 242, I have the honor to inform you that since then the Chilian authorities here have definitively determined not to treat with Piérola, at present the only recognized government of Peru, recognized by all the other governments who have representatives here, and by Chili herself by treating with him at Arica.

A movement has therefore been initiated among some of the leading citizens of Lima and Callao, and encouraged by the Chilian authorities, to establish a new government in opposition to that of Piérola (who is still at Tarma or Janja). And at a meeting of 110 of those citizens a Mr. Francisco García Calderon was, by a fair majority of that meeting, declared to constitute, to use their own language, the "unipersonal government" of Peru.

At a superficial glance this would seem to be an attempt to get rid of one distatorship clearly adopted by the people of the whole Peruvian Republic, and recognized by foreign governments, including Chili, for a new dictatorship, adopted by the majority of a self-constituted meeting of 110 men of Lima and Callao, and recognized as yet by nobody else except Chili. In this aspect merely it would, of course, be simply ludicrous.

But the intention, as professed by this new "unipersonal government" and by the Chilian newspaper here (for no Peruvian paper is allowed to be published here) is that this movement for the establishment of a new government shall be submitted in some form to the people of Peru; that an appeal shall be made to the people, who shall be invited to sanction this government until a Congress can be called together to ratify it or to establish another in some form. And, of course, if the people of Peru choose to ratify or concur in this or any other form of government, it must then be considered legitimate and acknowledged as such. But Chili does not intend to accept any treaty as final without its ratification by a Peruvian Congress, though she may, in the mean time, agree upon a provisional treaty with this provisional government, only to be submitted to and ratified by a Congress.

The friends of this new movement profess to have two objects in view: First (which no one doubts their desire to attain), to secure a peace with Chili; and, second, by this appeal to the people to get back to a constitutional government under the constitution in force before the dictatorship; but this last object many appear to doubt. Owing to the difficulty of communication, it will take some time, I should say nearly or quite two months, to get here an authentic expression of the

will of the people in all parts of Peru in any fair and regular way. In the mean time the Chilian army will probably continue in Peru, living upon the country.

If the appeal to the people succeeds in securing the popular support, peace (upon such terms as Chili may choose to dictate) will probably be the result.

But if, as I fear may happen, the people of only a part of Peru may approve, and those of any considerable portion should still adhere to Piérola, the result would be likely to prove calamitous indeed to Peru, producing a civil war in addition to the war with Chili.

It is the opinion (or, I would rather say, the strong suspicion) of many that this result is what is desired by Chili, and that her efforts are intended to produce it for the purpose of enabling her to demand a larger cession of territory, if not to give her an excuse for seizing the whole of Peru.

The main ground for this opinion, or suspicion is, that Chili refused to recognize or treat with Piérola, the only recognized government, after he had consented to treat and appointed his commissioners; but, until shown by further developments, I am not ready to attribute to them the design of attempting the permanent conquest of the whole of Peru, though there are some Peruvians and many foreign residents who would prefer this result as best calculated to give the country a more stable government.

In the proposed appeal to the people by the new provisional or proposed provisional government, I think it probable that the portion of Peru west of the Andes will ratify the movement, as much of it has already been overrun by the Chilian forces, and the people clearly see that the Peruvian Government, whether the new, or the old, is, and will be for a long time, powerless to afford protection; and that peace, therefore, is absolutely essential.

But that portion of Peru east of the western range of the Andes, the best, but least peopled part of Peru, the people have felt less of the evils, and none of the ravages of the war. Piérola is among them; and if, now that Chili has refused to treat with him, he should conclude to attempt to sustain his own government, or induce the people to refuse the recognition of a new one, the worst consequences are likely to follow. He has, it is true, scarcely any arms or munitions, and no funds to purchase them, or means to get them into the interior, if he could purchase any amount of them. Nothing more than a guerrilla warfare, could, therefore, be carried on; but this would be sufficient to ruin Peru, and justify Chili in the use of the harshest measures.

I am informed by General Adams, from La Paz, February 6th, that the Bolivians do not take it for granted that the war is over; that they are just now importing arms through the Argentine Republic, and he thinks the war likely to continue. It may be that Piérola may make his way south and join with Bolivia to prolong the war; but this is not my opinion. I am strongly inclined to think that when Bolivia comes to understand fully the inability of Peru to take a principal part in the war, she will make a separate peace.

I have, &c.,

L. P. CHRISTIANCY.

No. 309.

Mr. Christiancy to Mr. Blaine.

No. 251.] LEGATION OF THE UNITED STATES,
Lima, Peru, March 8, 1881. (Received April 5.)

SIR: Referring to your dispatch No. 119, I have the honor to reply—

1st. That if any danger to neutral vessels ever existed from Peruvian boats "containing explosive materials" being "sent adrift on the chance of their falling in with some of the Chilian blockading squadron," that danger had all passed some days before your dispatch was written, as you will have discovered from my dispatches; the Chilians having the entire possession of the Peruvian coast, and there being no further opposition to them along the entire coast of Peru.

2d. I know of no government of Peru to whom I could present a remonstrance, except to Piérola, who is in the interior beyond the first range of the Andes at Jauja, and has not, so far as I am yet informed, appointed any minister of foreign relations with whom I can correspond.

3d. I will say that there never has been any real danger to neutral vessels from the cause mentioned, so far as I know or have been informed. But three instances have occurred during the war (so far as I have ever heard) which could by any possible latitude of construction come within the grounds of complaint mentioned. The first was the case of the Loa, mentioned in my dispatch No. 183, which occurred in the bay of Callao far within the blockading lines, where no neutral vessel (except naval) had any right to come, and where for months they had not attempted to come; and the neutral naval vessels within the bay or near it, not being, like the Chilian vessels, likely to seek to take prizes, and knowing that both belligerents equally were using all the stratagems in their power to injure each other, and being on the alert for these were in no danger of being caught in the trap set by either.

No complaint was ever made or suggested to me on behalf of any merchant vessel of the United States, nor of any of our naval vessels on this score.

The only other cases which have come to the knowledge of the public, in which the Peruvians had put concealed dynamite in any boat or launch, was in the case of the blowing up of the Chilian naval vessel the Covadonga. This took place in the harbor of Chancay, and in the following manner: The captain of the port had a very fine and attractive row-boat, in which he had formerly been accustomed to go out to the vessels anchoring there. In this boat it seems there had, just before the destruction of the Covadonga, been concealed a large quantity of dynamite between the outer and inner skin of the boat. The boat was then anchored or fastened to the shore. The Covadonga came in and destroyed several other row-boats and launches or sunk them; but this one being so fine a boat and so attractive the officers of the Covadonga could not resist the temptation of taking it for their own use. They therefore sent in a small boat for the purpose of taking her, and the seamen in the Chilian boat fearing some *ruse de guerre* passed their oars all around and under her before venturing to seize her, but finding nothing they took her and rowed her to the Covadonga, when ropes were put into the rings of this boat and they began to hoist her up by the aid of the ship's davits; at this moment the explosion took place, sinking the Covadonga.

Surely here was no danger of any neutral vessel, merchant or naval, being caught in the trap, as none of them would have ventured to seize upon the boat recognized as that of the captain of the port.

There was one other case in which the Peruvians sent out a launch with dynamite in the port of Callao, toward the Chilian fleet, which blew up before reaching the fleet. This created no danger to the neutral naval vessels, and no merchant vessels were in the port or allowed to be there.

I have, &c.,

I. P. CHRISTIANCY.

No. 310.

Mr. Christiancy to Mr. Blaine.

No. 253.] LEGATION OF THE UNITED STATES,
Lima, Peru, March 8, 1881. (Received April 5.)

SIR: In reply to your dispatch No. 123 I have the honor to state that I believe the telegram of Piérola therein stated to be entirely correct, though I had no knowledge that he had sent it.

It is quite true, as you state, I had not informed you by telegraph of the taking of Lima by the Chilian forces, &c. There were several reasons why I did not telegraph: 1st. There is no telegraph line from here, the nearest being Panama, and the next nearest from Arica by way of Valparaiso and Europe. 2d. I have never been furnished with a cipher, and my dispatch, therefore, would be public. 3d. My experience in telegraphing, or attempting to do so, has not been favorable, as I telegraphed you from Arica (via Europe) on the 28th October last, the result of the conferences there, and again sent one to same effect by mail to Panama to be telegraphed to you from there, in the early part of November, and have to this day received no acknowledgment of the receipt of either, and I am in doubt whether either has been received. These were both sent without expense to the United States. 4th. I knew that by the ordinary channel of telegraphy from Chili to Europe you would hear all I could telegraph as soon as I could send a dispatch, and this without cost to our Government. 5th. I was careful to keep you informed by my dispatches by mail of all that had taken place, never neglecting a single mail, and long before this you must have received those dispatches, though not till after your dispatch No. 123 was written.

I have not been unmindful of the desire of my government expressed by you, in which I fully participate, to bring about a peace between the belligerents "upon reasonable and honorable terms compatible with the true welfare of all the belligerents, and so as to be lasting." But I find little room for any efforts of mine in the face of the repeated declarations of the Chilian authorities here that they will not admit the mediation or even the good offices of any other government or of its representatives here in any arrangement for peace.

Under such circumstances you will readily perceive that I need more specific instructions before I can press upon the Chilian authorities any definite terms of peace.

On the other hand, Piérola, the only government yet recognized by Peru and by all foreign representatives here, is in the interior at Jauja,

willing and anxious to treat for peace—as I know from his letter to a friend here shown to me some days since. But the Chilian authorities here have declared, as I have already informed you, that they will not recognize him as the Government of Peru, nor treat with him as such.

If I can see any opening where my efforts can be of any avail for peace, I shall not lose the opportunity.

For a further explanation of this matter, I refer you to my next dispatch.

I have, &c.,

I. P. CHRISTIANCY.

No. 311.

Mr. Christiancy to Mr. Blaine.

No. 254.] LEGATION OF THE UNITED STATES,
Lima, Peru, March 9, 1881. (Received April 5.)

SIR: I have the honor to inclose to you the copy of a circular, addressed by Piérola, through his chief secretary, García y García, to all the members of the diplomatic corps here, dated Jauja, March 1, 1881, together with an English translation of the same.

I need not comment upon this except to say that, with the exception of its complaint of the mere paper blockades, it is, in my opinion, as well founded in fact as papers of this kind can be expected to be, and not very materially variant from the actual truth.

I understand from report (though I have not seen the decree) that Piérola has issued a decree for the election of a congress on the first of May next, to meet at Ayacucho, on the third day of June next.

I understand also from general public report, that the Chilian authorities here declare, not only that they will not recognize Piérola as the Government of Peru, nor treat with him, but that they will not recognize a congress called together by him, or elected under his decree. I hope this is not true, since, under present circumstances, it authorizes a more or less strong suspicion that they are seeking to produce or continue such a state of chaos as to afford a pretext for the general spoliation of not only all public property of Peru but the private property of her individual citizens.

The attempt to form a new Peruvian government here in opposition to that of Piérola, described in my dispatch No. 245, seems from present appearances to have utterly failed. Mr. F. G. Calderon found great difficulty in getting proper ministers to hold offices under him; but when he finally thought he had got this arranged, he, for the first time, as it would seem, began to inquire how far his Chilian friends meant to allow his government to govern.

He requested that the Chilian army should be withdrawn from the city of Lima, that he should be allowed to occupy the government palace and raise over it the Peruvian flag, and that he should be allowed to control the custom-house and the collection of duties, &c., all of which was refused; whereupon, as I understand, his proposed ministers refused to act, and he himself was disposed to decline the task of forming a government. It is now again reported that he has not finally given up the attempt, but as yet nothing definite has resulted.

During the time that these efforts to form a new government were in progress, and while they promised success, the movements previously

set on foot by the Chilian authorities for levying war contributions were allowed to rest without any step taken for their enforcement. But as soon as the attempt to form the new government had apparently failed, viz, on the 5th instant, General Saavedra, at present commander-in-chief of the Chilian forces, issued the bando (decree) of the last-named date, a copy of which, with translation, I herewith inclose.

And on the 7th instant he issued the further decree for the collection of $1,000,000, for the month of February, being $20,000 from each of the fifty persons named, of which I also inclose a copy with a translation.

I call your special attention to the penalty imposed by this decree for non-payment at the day—the destruction of property of the delinquent to three times the amount.

According to the information I have received, and which I think trustworthy, many of the persons named will be able, without much suffering, to raise the $20,000, but many of them will not, as in some cases it is all that the man is worth, and in some much more than he is worth.

In some cases the only property the man owns consists of houses and lots in the city of Lima or in Callao, with furniture, &c. To destroy these by fire would endanger the whole city, neutrals and natives suffering alike. It may be otherwise destroyed.

But this wanton destruction of private property seems to me to verge very closely upon a violation of that humane law of modern warfare which forbids making war upon unarmed, non-resisting private citizens, or upon their individual property. And though the laws of war seem yet to permit the levying of war contributions, I would suggest that, according to the best and most approved practice of the civilized nations of to-day that right should only be exercised upon municipalities or other governmental divisions of a country, leaving the local authorities (who much better know the ability of their respective citizens) to apportion the burden.

I had the honor to call your attention to this point in my dispatch of September 17 last, No. 194, in hopes that I might receive some instructions upon it, but as yet I have not had a word in reply.

You will permit me further to suggest, whether if an invading army can levy its contributions directly upon private persons and destroy their property for non-payment, that humane rule of modern warfare which forbids making war upon, seizing, or destroying private property without any offer or idea of compensation, cannot at any moment be set aside by merely changing the *name* of the operation to that of "*contribution*." For instance, the commander of the invading force going to a hacienda or sugar estate, says to the owner, "I want $100,000 out of your property for the support of my army or the expenses of the war; the laws of modern warfare do not permit me directly to seize it or to destroy it, without giving you compensation or promising such compensation in future. But I can demand it as a 'war contribution,' without any idea of compensation, and destroy all your property as a penalty for non-payment of that contribution."

It is respectfully suggested that the distinction between these two modes of proceeding is a very thin and not a very tangible one. (See Woolsey's introduction to the study of international law, section 130.)

It is right, I think, in connection with the decree of General Saavedra of March 7, above referred to (No. $\frac{3}{254}$), to remark that an influential portion of *the most* influential portion of the Chilian press is very bitter and abusive toward General Baquedano, for not having sacked and burned Lima; and how far the severe measures now proposed for

collection of the war contributions may have been produced by the influence of that press (an influence which prevented any desire for peace at Arica) I do not know, but leave you to draw your own inferences.

It is right also that I should inform you that from public rumor, (which, I think, is generally credited by the diplomatic corps, though I have seen nothing official to warrant the belief), it is generally believed here that the Chilian authorities here intend to carry away with them to Chili not only all warlike material and machinery (of which no one can complain) but all the paintings, statuary, and libraries belonging to Peru and to the municipality of Lima. As to the last, it is sincerely to be hoped that the Chilian Government may not dim the lustre of their victory by acts so repugnant to the sentiments of modern civilization; and for one, unless otherwise instructed, I shall be ready to join with the diplomatic corps in an earnest protest against such barbarism.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 251.—Translation.]

Mr. García to Mr. Christiancy.

CIRCULAR.

SIR: The war which the Republic of Chili has waged against those of Peru and Bolivia during nearly two years carries with it a complete perturbation of the principles of international law, which, either by tacit consent or by the solemn stipulations of treaties, regulate the action of States in their common relations.

Without dwelling for the present upon the origin, sufficiently elucidated already, of this war, which knows no other cause than the sordid interest of our gratuitous provokers and adversaries, it becomes my duty, now that extraordinary occurrences have created an exceptional situation in the capital of the republic, to call the attention of those nations friendly to Peru to the antecedents which, during the course of the struggle, have marked such irregularities, and the development of which, unconsciously sought by Chili, is the only cause of the agitation in which the South Pacific States still live.

The blockade of our port of Iquique, established by the same squadron which brought the declaration of war against Peru, made by Chili, on the 4th of April, 1879, was the beginning of hostilities against this country.

This act of premeditated surprise was the answer to the friendly steps being at that moment taken in Santiago by our extraordinary mission charged with the re-establishment of harmony between Bolivia and Chili, which had been interrupted by the warlike occupation of the Bolivian port of Antofogasta, consummated on the 14th of February antecedent.

In order to justify its aggressive action, much has been said on the part of the Government of Chili in regard to the treaty of alliance entered into years ago between the Republics of Peru and Bolivia, but it is sufficient to read that document of mutual preservation to become convinced that it involves no hostile intention towards any specified nation, nor much less does it bind them to make common cause in the complications wherein one or the other nation might find itself entangled; each one, on the contrary, reserving to itself the right of declaring when the *casus fœderis* had arrived, an emergency in regard to which Peru had certainly advanced no opinion whatever.

Solemnly bound as is Chili to the treaty of Paris, which abolished the so-called paper blockades, or those of mere notification, nothing in that undertaking has stopped her, and her vessels, after many months of useless delay in Iquique, employed themselves in cruising in various belts of our coast, blockading, by means of simple notifications, ports which they had not naval forces sufficient to close, and which they consequently only visited occasionally.

Private property, out of the pale of military operations, the object of the greatest respect in the struggles of modern times, and one of the most precious triumphs of the civilization of to-day, has been, during the contest we sustain, that which has suffered the most frequent and disastrous blows from the land and naval forces of Chili, wheresoever these have presented themselves.

The useless and intentional destruction by fire of Pisagua, Tacna, Mollendo, Chorrillos, Barranco, Miraflores, Ancon, Chancay, San Nicolas, Palo Seco, and many other towns

and flourishing industrial establishments, as well as the removal and embarkation from all of them of merchandise and household furniture, belonging to natives and foreigners, in full view of all who happened to be present at these different places, bear undeniable testimony to the truth of my assertions.

Unarmed and unprepared as was Peru to sustain a war so carried on, it is not strange that, wanting in a navy sufficient to oppose that of the enemy, the latter, domineering over our extended coast, should with impunity carry his troops and ships wheresoever he might propose to hostilize us. The natural consequence of such military movements could not be other than the unmolested occupation of the unprotected seaboard valleys and towns, or that occupation facilitated as a result of battles, wherein always, and for the same reasons, we fought with inferior forces upon our side.

If, after the advantages gained by Chili, there had at any time followed the enunciation of the motives impelling her to go to war, and of the redress she expected to claim in order to put an end to it, it is beyond doubt she would have evidenced a respect for the customs established between nations who go to war to obtain the legitimate satisfaction of grievances or reparation of wounded interests, and we, listening to her proposals, and bringing them to the light of a calm discussion, would have put a decorous end to the irreparable losses and disasters which the belligerents of to-day will forever lament.

But, far from this, every military advance of Chili in our territory was the signal for new armaments and increase in her expeditionary forces, while in the congress of Chili and in her press it was that of unreserved propaganda of the annihilation and extermination of Peru.

This plan reprobated by Christianity, and which will appear to the right minded impossible to conceive is nevertheless to all appearances that which presents itself to us to-day.

Intentionally, and so as not to set forth in this tranquil document the bitterness overflowing the heart of every patriot, I omit the details—moreover well known—of the manner in which Chili presented herself in the Arica conferences, and of the intentions there revealed by her plenipotentiaries, or to mention the pretended negotiations of Miraflores. History, with her impartial criterion, will judge both events.

The Chilian Government, consistent with its already manifested designs for completing the ruin of Peru, it has been her most constant endeavor, since the occupation of Lima and Callao on the 17th of January last, to promote all kinds of internal dissensions. With this object it has established in the former city a semi-official newspaper, which, issuing from the government printing-office, has occupied itself since its inauguration in spreading abroad all kinds of imposture, in defaming our public men, discrediting the principles governing society, and artfully endeavoring to prove the non-existence of a government, notwithstanding the fact that that of his excellency the supreme chief has the obedience of the entire nation, without excepting a single village.

These artful wiles, aimed against the sovereignty of Peru, did not at first possess the gravity they have later attained, since, although the work of well-known authors, they had until now no official character.

After the occupation of Lima, and it being in consequence thereof impossible to treat directly with the honorable diplomatic corps resident in that capital, the government accredited as its confidential agent near that body Dr. Don Manuel Yrigoyen, whose only duty was to continue the mediation by that corps, and accepted in Miraflores on the 14th of January last.

The interposition of the friendly powers, at the same time that it consulted the decorum of the belligerents, was a sure guarantee of justice and exactness in the solution of the pending conflict, but the peremptory declaration made by the Chilian agents that they would in no case admit that interposition, a resistance impossible of any worthy explanation, although it clearly showed the true views of Chili in the present war, frustrated that efficient mode of solution.

His excellency the Supreme Chief, wishing nevertheless to do away with even the remotest pretext under which our enemies might shelter themselves in order to carry on the war, named plenipotentiaries, fully authorized to negotiate directly a peace with those whom the Government of Chili might see fit to designate with like object.

The conciliatory efforts of our ministers, Doctors D. Antonio Arenas and D. Lino Alarca, have been entirely sterile. Messrs. Vergara and Altamirano, who state that they possess full powers to negotiate a peace as representatives of Chili, declared that, "refusing to treat with his excellency the supreme chief they considered themselves as carrying out their instructions, which ordered them not to treat save with a government solidly sustained by the national will." General Baquedano had also replied to our envoys that Colonel Don Francisco Vergara and Don Eulogio Altamirano were the plenipotentiaries named by the Republic of Chili to treat with those who might be designated *by the government which Peru might desire to give herself*. We have here, therefore, the commander-in-chief of the Chilian army and the plenipotentiaries of the nation constituted as deciders and arbitrators of the legitimacy of the government of

Peru We have here the fact, new in the annals of the political relations between peoples, of the refusal to admit by a stranger as a national government that which the whole country recognizes as such, and in order that the deformity may be more monstrous life and impulse are given, beneath the shadow of the Chilian flag, to meetings whose strength lies there alone, establishing thereby an odious protectorate that will always be repudiated by the Peruvian people, whatever the depths of their misfortunes, and in spite of the terrible martial law with which the semi-official organ at the same time threatens public manifestations tending to defend the autonomy and independence of the nation, however tranquil they may be.

I leave to the profound sagacity of your excellency the appreciation of events which you yourself have witnessed, and the truth of which is perfectly known to you.

The authority of his excellency the supreme chief having been derived from the confidence which the people of Peru have deposited in him, and which they still maintain, strengthening it daily by new proofs of adhesion, he will maintain unshaken that authority until he can deposit it in the hands of the national representatives, laying it down before the assembly elected by the people, which will soon meet, in accordance with the supreme decree of this date, so that it may also freely deliberate upon the future destinies of the country, in view of the situation created by the causes to which I have referred.

Be pleased, your excellency, to place these facts before the Government of the United States of North America, so worthily represented by your excellency near the Government of Peru.

With sentiments of the highest consideration and esteem, I am, &c.,

AURELIO GARCÍA Y GARCÍA.

[Inclosure 2 in No. 254.—Translation.]

Decree or bando of General Saavedra (at present commander-in-chief) of the 5th of March, 1881.

No. 496.

Having seen the foregoing note of the minister of war in the field,

I decree:

1st. There shall be established in the city of Lima an office of "Collector of the contributions of war," whose functions and obligations are as follows:

1st. To take under its charge and inventory the property and things of every kind which the public buildings and establishments (of which the army has taken possession) may contain, as well as all articles of a warlike character.

2d. To point out and take note of all that pertains to the public administration and which may not yet be in possession of the army, for the purpose of providing the proper measures in reference thereto.

3d. To ascertain and take accurate note of all things which have been remitted to Chili, its destination, and the party sending the same.

4th. To inquire what remittances may be properly made to Chili, and to effectuate those that shall be determined upon, specifying the kinds, with all the details and a proper valuation, directing them to the proper parties, as shall be determined upon.

5th. To propose the contributions which are to be collected for the maintenance of the army, and in general for all the expenses which the military occupation occasions.

6th. To collect the contributions which shall be decreed, and to deposit them in the commissariat of the army.

7th. To represent the supervision which may be decreed in any of the public establishments or institutions, in the administration of funds.

2d. This office may establish branch offices outside of Lima, with the same object, at other points occupied by the army, previous approval being obtained.

3d. The chief of the office shall propose the rest of the employés and their salaries and a regulation which comprehends the proceedings to be had to fulfill the objects of this office.

4th. Don Alvaro Francisco Alvarado is named chief of the office for the collection of contributions of war, with the salary and compensation which he now has as an officer of the general intendencia of the army and navy in active service.

Let it be recorded and published, and let an account be given to the supreme government for its approbation.

C. SAAVEDRA.

[Inclosure 3 in No. 254.—Translation from Actualidad, March 7, 1881.]

THE CONTRIBUTION OF WAR, ONE MILLION MONTHLY.—LIST OF THOSE WHO MUST PAY FOR MONTH OF FEBRUARY.

CORNELIO SAAVEDRA, general of brigade and in chief of the army of operations of the Republic of Chili.

Whereas, having in view the execution of article 3 of the decree of the 9th February last, and the note of the minister of war of the 5th of the present month,

I decree:

1st. That the department of Lima and Callao shall pay monthly the sum of one million of pesos in silver, or its equivalent in current money, according to the exchange of the time, to meet the expenses of the army of occupation.

2d. The million for the month of February last shall be paid by the persons mentioned below, each of whom shall contribute twenty thousand pesos in coin for his quota.

[Here follow fifty names for 20,000 pesos each.]

3d. The space of eight days is conceded from this date for the persons designated in the foregoing article to present themselves to complete the payment of the quota, fixed at twenty thousand pesos, in coin, assigned to each, into the office charged with the collection of the war contributions ordered by the decree of the 5th of the present month.

4th. If any of the persons named shall not pay his quota within the time fixed proceedings shall be taken to destroy, for the present, of the property of the delinquent at least three times the value, without prejudice to the right of personal compulsion.

5th. The chief of the general staff, Col. Don Pedro Lagos, is charged with the execution of this decree, and to this end the chief of the office of collection shall give an account on the same day of the term fixed by article 3 of the persons who have failed to make such payment.

6th. From this date no person of Peruvian nationality can absent himself from Lima or Callao without a passport previously issued from the general staff, under the penalty to the infractors of being tried before a military tribunal. This article does not apply to those who travel only between said two cities.

Let it be recorded and published. To the end that this decree shall be brought to the knowledge of all, it shall be published by proclaiming the same in public and fixing it up in hand-bills in the most public places of this city and Callao, it being the intention that this publication shall have the effect of a personal notice.

Given at the palace of government in Lima on the 7th of March, 1881.

CORNELIO SAAVEDRA.

No. 312.

Mr. Christiancy to Mr. Blaine.

No. 256.] LEGATION OF THE UNITED STATES,
Lima, Peru, March 16, 1881. (Received April 11.)

SIR: Referring to my dispatch No. 254 (last paragraph), I have the honor to inform you that since that I have ascertained that, even before that letter was written, the whole of the public library, known as "Biblioteca de San Pedro," in Lima, belonging to the Government of Peru, and the largest and most valuable in South America, had already been taken by the Chilians and put on board the fleet to be sent to Chili.

And before and since that dispatch they have, as I am informed, also taken from the exposition grounds and buildings belonging to the Benevolent Society of Lima all the paintings and pictures in the buildings on those grounds, all the collection of animals (a menagerie of them), and everything of value that could be taken; the laboratory and the appurtenances of the School of Medicine, amounting to over half a million of dollars, and everything that could be moved from the school of Arts in Lima, consisting of models, machinery, &c., for teaching in the arts and sciences and in the various trades. This School of Arts belonged to the Government of Peru.

For myself, I look upon this as a violation of the rules of civilized warfare, which calls for an earnest protest on behalf of all civilized nations; and I have been in favor of such protest being made by the diplomatic corps here. I am satisfied that the large majority of the corps would join in it; but there are some who, while agreeing that it is contrary to the modern principles of warfare, yet, for reasons of policy, think it not best to make the protest, lest it might prejudice the Chilian Government against neutrals here.

A meeting of the diplomatic corps was held yesterday at my suggestion, made the day before. But I was taken sick the night before and was totally unable to attend; and I understand no action was taken by the corps upon this point.

I have, &c.,

I. P. CHRISTIANCY.

P. S.—If I thought the failure of protest could in any manner operate as an acquiescence in the propriety of such acts on the part of Chili, I should protest against them, though I might stand alone. But as I am not accredited to Chili, I do not suppose that my neglect to protest can be construed into an approval by my government.

I. P. C.

No. 313.

Mr. Christiancy to Mr. Blaine.

No. 257.] LEGATION OF THE UNITED STATES.
Lima, Peru, March 16, 1881. (Received April 11.)

SIR: Referring to my dispatch No. 254, in reference to the attempt to form a new government of Peru, under the auspices of the Chilian authorities, I have the honor now further to inform you that the attempt, though for a time apparently abandoned, has since been persisted in; and on the 12th instant that new government was installed at the small hamlet (too small to be called a village) of Magdalena, about 3 miles from Lima, which has been declared neutral territory; and that the provisional president, Francisco García Calderon, has appointed Aurelio Denegri president of the council and minister of finance, Manuel Velarde minister of government and public works, José Miguel Velez, minister of justice and public worship, and M. M. Galvez, minister of foreign relations.

For your information in respect to this new government, I inclose three numbers* of El Orden, the organ of this government, of the 12th, 14th, and 15th instant, which I have no time to translate, but which will show the progress of things up to this date.

As Piérola still claims to be the Government of Peru, the great question for me and other ministers here to decide is that of recognition, all having heretofore recognized Piérola. My own view is that I cannot recognize this new provisional government until it shall appear to be a government of Peru, instead of Lima and Callao; in short, without instructions from you, I cannot recognize it until satisfied from a vote of the people or clear acquiescence the larger portion of the people seem to have adopted it, nor until it shall show some evidence of the power to sustain itself as the Government of Peru.

* The inclosures are lengthy and in the Spanish language. They will be furnished if deemed necessary.

If, for instance, Piérola holds one-half of Peru and Calderon the other, I could not recognize the latter, unless so instructed by the Department.

I am just informed that this new provisional government, with the aid of a committee of the diplomatic corps, have made an arrangement by which a little time is given for the payment of the $1,000,000 due on the 14th on their paying $200,000 to-day, and that the penalty for non-payment is not to be enforced by the proposed destruction of property. But I cannot give you the particulars with certainty, as I am unable to go out.

I have, &c.,

I. P. CHRISTIANCY.

No. 314.

Mr. Christiancy to Mr. Blaine.

No. 261.] LEGATION OF THE UNITED STATES,
Lima, Peru, March 21, 1881. (Received April 16.)

SIR: Referring to my dispatches Nos. 253 and 259, I have now the honor further to inform you in further answer to your dispatch No. 123 that as the Chilian authorities here had constantly declared their fixed determination not to accept the arbitration, mediation, or even the good offices of any other government in bringing about a peace with Peru and Bolivia, I could see no door open by which I could approach the Chilian authorities here, without appearing to be officiously impertinent and intermeddling. Nevertheless, on the 16th instant, hearing that General Saavedra and Mr. Altamirano (the last of whom seemed to be the representative of the Chilian Government here in matters not strictly military), were to leave on that day for Chili, I left on that day with Mr. Vergara, the Chilian secretary of war at the palace, to be shown to Mr. Altamirano before he should leave, of copy of so much of your dispatch No. 123 as reads as follows:

> I find it necessary to desire you to press upon the Government of Peru, and on such Chilian authorities as you may have access to, the earnest desire of this government to bring about a peace without unnecessary delay, and upon reasonable and honorable terms compatible with the true welfare of all the belligerents, so as to be lasting.

I thought it well that Mr. Altamirano should take this, or the knowledge of this, with him to the Government of Chili. But I did not think it wise to go any farther at this moment, or without farther instructions from your Department, as it appears to me quite evident that the Chilian Government have determined to make Peru drink the last dregs in the cup of national humiliation, in any peace she will be ready to grant, and that nothing short of active intervention of the United States, or some foreign power or powers, can defeat the determination. And, though it is not for the interest of the United States or any other neutral power thus to humiliate Peru, yet in view of the traditional policy of the United States, it would not be possible for me thus to intervene between the three belligerents, towards whom our government entertains equally friendly sentiments. I could only be warranted in doing so by the express directions of my government.

Please see my next dispatch, No. 262, in answer to your No. 129.

I have, &c.,

I. P. CHRISTIANCY.

No. 315.

Mr. Christiancy to Mr. Blaine.

[Confidential extract.]

No. 262.] LEGATION OF THE UNITED STATES,
Lima, Peru, March 21, 1881. (Received April 16.)

SIR: I have the honor to inform you that I have waited some days, in hopes of being able to give some intelligible answer to your confidential dispatch No. 129; but as yet I can only tell you what has taken place between me and Mr. Suarez, and give you such impressions upon the question of the practicability of his schemes as the present aspect of affairs has produced upon my own mind.

1st. I have had several interviews with Mr. Suarez; in which, however, I have been able to get no very definite ideas from him as to the *modus operandi* of securing the adoption of his plan.

He has, as he informs me, had interviews with the French minister here, who gives him no definite encouragement, and professes to be waiting for instructions from his government.

2d. My own impression is that, though this plan might have been acceptable to Chili in an earlier stage of the war, say before the battle of Tacna, and *possibly* before the conferences at Arica, yet that the time has now passed when it could be made acceptable to Chili, which is so flushed with her recent victories, and so confident of being able to force Peru into compliance with any demand she may choose to make, that she would consider such a proposition so wholly inadmissible that nothing short of the active, and, perhaps, hostile intervention, of the United States, England, and France, or some of them, could now *compel* her to accept the plan proposed.

3d. I have some reason to think that Mr. Suarez has been indiscreet in allowing the programme to become public before any practicable plan could be adopted for its accomplishment. The last Panama Star and Herald, which arrived here, has the programme set out in full, and copied from the New York Herald in an article very decidedly hostile to it. This will reach Chili in a few days, and will so arouse the war party that the government will not dare to entertain such means of settlement for a moment.

In view of these considerations I have not thought it best to avail myself at present of the liberty granted me to "communicate to my colleagues, Mr. Osborn and Mr. Adams, so much of this communication as occasion might suggest, but always in confidence," especially as I could not well communicate a part without the whole; and Mr. Suarez concurs with me that, at present, it would not be best to make such communication. He and I are satisfied that both Peru and Bolivia would gladly accept this programme as a means of solving the present difficulties; and that the whole difficulty would be in procuring the assent of Chili. He therefore talks of going to Chili; but I doubt whether he will do this.

As this is a purely confidential dispatch, I avail myself of the immunity which that confidence affords, to express to you certain opinions and impressions, which I would not venture upon if the dispatch could be expected to be published to the world.

1st. The principal foreign trade of Chili is with England, by way of the cape or the straits, and many of the largest houses of trade in Chili

are English. Many of the officers in the Chilian army and navy are Englishmen; and Chili has obtained from England most of her arms, at least artillery, as well as her naval vessels.

From these and other causes the sympathy between Chilians and the English has been much stronger than between them and the people or Government of the United States. The Chilian Government and people are therefore much more sensitive to English than to American influence. To some, though to a much less extent, these remarks in reference to England apply also to France, though it may be doubted whether the sympathy between Chili and France is such as, in any great degree, to affect results.

On the other hand, though England has a much larger commerce with Peru than the United States have, and the only line of steamers along her coast is English; yet the sympathies of both the government and people of Peru have been much stronger for the United States than for England, and I may truly say than for all the rest of the world. They have constantly hoped that the United States would, in some way, interfere to protect them from the calamities which now overwhelm them. And I am entirely confident that the Government of Peru (whatever that may turn out to be), as well as all her *intelligent* (if not all her) citizens would welcome a *protectorate* of the United States, and I think, that those of Bolivia would do the same.

As a matter of opinion, (sustained, I think, by the majority of intelligent Americans here), I will go farther and say, I believe the people of Peru would be glad if their country could be annexed to the United States. * * * One thing, however, is, I think, entirely certain, that the present war here has reached such a stage, that the influence of the United States on this coast upon any question connected with the present war, or the settlement of peace, can only be secured by active intervention, in some form, against the will of the Chilian Government. Whether our government is prepared to take this attitude, it is for your Department, and not for me, to decide.

I am ready to follow any instructions which your Department may see fit to give.

I have &c.,

I. P. CHRISTIANCY.

P. S.—Since writing the above, I am informed by Mr. Suarez that he intends to leave for the United States by the first steamer.

No. 316.

Mr. Christiancy to Mr. Blaine.

No. 263.] LEGATION OF THE UNITED STATES,
Lima, Peru, March 22, 1881. (Received April 16.)

SIR: Referring to my dispatches Nos. 254 and 256, I have the honor to say that when those dispatches were written, I had only received the facts by general public report. I now inclose to you the letter of Señor Manuel de Odriozola, the director of the Biblioteca Nacional del Peru, dated March 10, but received only on the 19th, showing the spoliation of that library by the Chilian authorities, together with a translation of the same.

Referring to my dispatch, No. 256, in which I stated the value of the laboratory, &c., of the School of Medicine taken by the Chilian authorities at $500,000, I have now to say that I think the value was overstated. I now understand that the laboratory was purchased in Paris for 600,000 francs. I cannot get reliable official evidence in these matters. But the fact of the laboratory having been taken by the Chilian forces (whatever may have been its value) is beyond doubt.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure No. 1 in No. 263.—Translation.]

Mr. Olriozola to Mr. Christiancy.

LIMA, *March* 10, 1881.

The undersigned, director of the national library of Peru, has the honor to address himself to your excellency, in order that you may bring to the knowledge of your government the fact of the crime against civilization committed by the Chilian authorities in Lima.

To take as their property libraries, archives, cabinets of science and anatomy, and others which symbolize the intellectual progress of a nation, or help to facilitate its development, is to restore to war a character of barbarism foreign to the civilization of the age and the practices of Christian and enlightened belligerents, and to the universally recognized principles of right.

The Library of Lima was founded in 1822, a few months after the declaration of independence, and was considered by all the literary travelers, who have visited it, as the best among the libraries of Latin America. Being enriched through the protection of subsequent governments, and the gifts of private persons, it had, at the close of 1880, very nearly 50,000 printed volumes (not reckoning duplicate editions), and over 800 interesting manuscripts. True bibliographical curiosities, among which were not a few unreplaceable, or books printed during the first century after the discovery of printing, and which, as your excellency knows, are priceless works at present, very rare, either from the copies being exhausted or for not having been reprinted, especially in the branch of literature and history, the production of nearly all the chroniclers of America, a section in which the establishment was unrivaled, and books presented by foreign governments, among which the United States of America figured largely. Such, Mr. Minister, was the Library of Lima, a library of which we, the sons of Peru, were justly proud.

The capital of Lima having been surrendered to the Chilian forces the 17th January, more than a month elapsed, during which the invaders respected the institutions of learning, no fear was felt up to that time that the Chilian authorities would dare to consider as spoils of war the cabinets of the School of Medicine and university, the apparatus of the School of Arts and Mines, or the important collection of the national archives, and of other institutions of purely scientific, literary, or artistic character.

On the 26th of February, at 3 p. m., the keys of the library were demanded of us, and from that day forward the most scandalous robbery was carried on, the books being carried to Callao in carts, and, I understand, they being shipped to Santiago. The library has been sacked as though it represented war material, and but a few more days will be necessary to finish this act of rapine, carried on under the shadow of the flag of a people considered as civilized and enlightened.

In addressing myself to your excellency, I do it in order that the protest which I make in the name of civilization, morality, and justice may appear before America and humanity, complying in this with a double duty imposed upon me, by my duty as the director of the library, and my patriotism.

With sentiments of high consideration and respect, I have the honor to subscribe myself, your excellency's obedient servant,

ML. DE ODRIOZOLA.

His Excellency I. P. CHRISTIANCY,
Minister of the United States in Lima.

No. 317.

Mr. Christiancy to Mr. Blaine.

No. 264.] LEGATION OF THE UNITED STATES,
Lima, Peru, March 23, 1881. (Received April 16.)

SIR: I have the honor to inform you that Señor Manuel M. Galvez, the secretary of foreign relations under the new government, set up or attempted to be set up for Peru, called to see me yesterday, and especially to inquire what attitude the United States would be likely to take upon the question of peace with Chili, &c.

I explained to him fully that the position of our government had thus far been one of strict neutrality between the belligerents; that while our government was ready now, as always heretofore, to use her good offices by way of mediation or arbitration (to bring about a peace), with the consent of all the belligerents; yet that I had received no instructions which would indicate that she was willing to enter upon an active intervention against the will of Chili or the other belligerents; that, while I was satisfied that our government would regret to see a peace forced upon Peru, which would humiliate her and degrade her, and was desirous of a peace which should be honorable and beneficial to all parties—and therefore likely to be lasting—yet in view of the declared intention of the Chilian authorities not to admit the mediation or good offices of any other government in fixing the terms of peace, and in view of the traditional policy of our government not to intervene in the affairs of others, except with the consent of all the nations concerned, I could give him no assurance that she would now be willing to depart from that policy and intervene between Chili and Peru, against the will of, and therefore in a hostile attitude to, the former; but that I had kept my government informed, and should follow any instructions I might receive. He then inquired what I thought of the policy of sending a special envoy to the United States. I frankly told him that I saw but one objection to this, and that this might be but temporary, viz., that as yet it did not sufficiently appear that this new government was *the* government of *Peru*, and that, until this should appear, the United States might not be willing to recognize it as such; that, inasmuch as our government, with all the other governments represented here, had recognized the Government of Piérola, I should myself, in the absence of instructions to the contrary, be compelled to wait until it should appear by vote or acquiescence of the people of Peru, that the majority approved or acquiesced in the new government, and that I was inclined to think my government would be likely to take the same view of the question; and that, as yet, I had seen no sufficient evidence of this approval or acquiescence; but that the very moment I should have such evidence I should recognize the new government, without waiting instructions; and that all our government wished to know was *what is* the Government of Peru, when they would at once recognize it; but they could not make themselves parties in a contest between two governments, both claiming to be the Government of Peru, until the people of Peru, had decided that question for themselves, &c.

I learn this morning (in a somewhat confidential manner) that this new government intends to send by the steamer of to-morrow, as envoy, or agent, to Washington, a Mr. José Manuel Cantuarias. So far as I can learn, he has the reputation of an honest man, of considerable

ability. He has been consul of Peru to China, and has held, with credit, several offices under the Government of Peru.

I have, &c.,

I. P. CHRISTIANCY.

No. 318.

Mr. Christiancy to Mr. Blaine.

No. 265.] LEGATION OF THE UNITED STATES,
Lima, Peru, March 23, 1881. (Received April 16.)

SIR: Referring to my dispatch No. 263, I have the honor to inclose to you an extract from an editorial in the Actualidad, the Chilian Government organ here, of March 21, with a translation, showing that the Chilian commanders claim, as conquerors, the right to take the apparatus of the School of Arts, as well as books, scientific apparatus, and paintings; that they place all the public buildings, including the palace of government, ending with the last hut or tent of the guards, and all public works, the railroads, with all the bridges over water-courses crossing public roads, on the same ground.

That you may understand the full significance of this, I will say that the Orden, the only paper here published in the interest of the new Peruvian Government, had complained in a very mild and subdued form of the taking of libraries, scientific apparatus, and the property of schools and colleges; and this editorial in the Actualidad (the whole of which is very severe) makes this answer.

It is true they place the right claimed upon the ground of indemnifying themselves for the expenses of war, and compelling the enemy to put an end to the war. But it is easy to see that this pretext may always be put forth with equal justice, and thus the obligation to respect libraries, paintings, works of science and art, as well as schools, colleges, and public buildings, may always be evaded, if it can be in the present case.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure No. 1 in No. 265.—Translation.—From La Actualidad, March 21, 1881.]

* * * * * * *

The Chilian authorities have determined to follow and will still continue to dispose of national property of Peru, with the indisputable right, conceded by all the nations of the world to the conqueror, when it is to repay himself the expenses of the war, and when he has at hand the means of coercion, which obliges the enemy to put an end to the war, in order to prevent worse evils.

This is, nevertheless, the protest of the gentlemen of El Orden, what the Chilian authorities have done with the work-shops of cartridges, the machines of the school of arts, with books and instruments of sciences, and with one historical picture.

They can do it to-morrow with all the public buildings, beginning from the palace of government and ending with the last sentry-box.

They can, the day after to-morrow, still follow in doing so with all the public works, beginning with the railroads and ending even with the bridges over the water-courses crossing public works.

This is the right of the conqueror, and that of the conquered is to keep silence when he has not sought in time the means to avoid those evils of which he complains.

Consequently, we protest against the protests dissemblingly initiated by El Orden No. 14, accentuated in No. 15, and probably so out of all limits in to-day's number, or to-morrow's, or that of any of those days.

To begin by estimating, to follow with complaints, and to continue with charges, may end very soon, in great haste, with the armed protest, which is the last tone of the scale.

No. 319.

Mr. Christiancy to Mr. Blaine.

No. 266.] LEGATION OF THE UNITED STATES,
Lima, Peru, March 23, 1881. (Received April 16.)

SIR: The new Peruvian Government, having on the 14th instant arranged with the Chilian authorities here to pay down 200,000 silver, of the million then due for February, according to the Chilian decree, and to pay the balance, 800,000 silver soles, within one month, I here inclose you copy and translation of the decree of this Peruvian Government, dated the 14th, but published only yesterday, for raising the amount in the shape of what is called a loan, and which, so far as the decree shows, would seem to be a voluntary loan; but as it seems to me quite probable that few will come forward voluntarily to take the loan, I presume the government must look to some means to enforce it as a forced loan; if not, I am inclined to think the money will not be raised in time.

The three-and-a-half pence mentioned in the decree is intended as the value of the paper sol, practically the only currency now circulating in Peru, the gold and silver coin having almost entirely left the country, as is usual, if not universal, where an inferior currency is in general circulation.

And Peru, from having formerly been thought the richest country in precious metals in the world, is now probably the poorest for practical purposes, though she still has inexhaustible mines, mostly unworked, in the interior.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure in No. 266.—Translation.]

MAGDALENA, *March* 14, 1881.

In conformity to the agreement of the council of ministers, proceed to raise a national loan, destined to cover the war contribution imposed by the chief of the Chilian forces, on the following conditions:

1st. The loan will draw an interest of six per cent. per annum.

2d. It will be repaid in fiscal notes, at an exchange not less than three and a half pence per sol. The amounts paid in, for this loan, in pounds sterling, shall be reckoned at this same exchange.

3d. The reimbursement shall be made out of the outstanding and accruing taxes on property in Lima and Callao; 30 per cent. of the free income of the Callao custom-house, and with the income of the stamp contribution.

4th. The administration and recovery of the taxes and stamp contribution shall be confided to a commission selected from among the lenders.

5th. The refunding shall be at par, and by lots, paying the capital and interest on same.

Communicate it; have it registered and published.

Signature of his excellency,

DENEGRI.

No. 320.

Mr. Christiancy to Mr. Blaine.

No. 273.] LEGATION OF THE UNITED STATES,
Lima, Peru, March 31, 1881. (Received April 25.)

SIR: Referring to my dispatch No. 264, I have now to inform you that, from all present appearances, the new Peruvian Government, of which Mr. Garcia Calderon is the head, does not seem likely to be recognized by the people of Peru; and so far as any manifestations of the popular will have come to my knowledge, the mass of the people seems likely to continue its adherence to the Dictator Piérola. Circumstances yet to occur may change all this; but as yet, from the best information I can get, the very localities on whose concurrence the new government counted, still adhere to Piérola, and, even here in Lima, the municipal government, at a meeting held yesterday, unanimously decided not to recognize it. And when the alcalde (mayor) went to consult the Chilian secretary of war at the palace, he was informed that the Chilian Government did not yet recognize the new government (waiting, doubtless, to see that it should first be recognized by the people of Peru). And when the alcalde asked what the municipal government should do, in case the new pretended government should demand the building of the municipality and seek to turn them out, the secretary of war replied, in substance, that he did not know; but that if any disturbance of the peace should take place in a quarrel between the new government and the municipal authorities, he should send them all alike to prison.

I have, &c.,

I. P. CHRISTIANCY.

No. 321.

Mr. Christiancy to Mr. Blaine.

No. 276.] LEGATION OF THE UNITED STATES,
Lima, Peru, April 4, 1881. (Received April 26.)

SIR: Referring to my dispatch No. 256 (second paragraph), in which I stated, in substance, upon report, among other things, that the Chilians had taken from the exposition grounds, belonging to the Benevolent Society of Lima, the collection of animals there, I have now to make this correction, viz: That these animals had not *then* been taken (a few days since), but preparations had been made to take them, and the cages were already taken to the grounds, in which they were to be shipped, and there is no doubt they will be taken.

I have, &c.,

I. P. CHRISTIANCY.

No. 322.

Mr. Christiancy to Mr. Blaine.

No. 277.] LEGATION OF THE UNITED STATES,
Lima, Peru, April 4, 1881. (Received April 26.)

SIR: Referring to my dispatches, Nos. 257, 264, and 273, in reference

to the question, What is the Government of Peru, I have now the honor further to inform you that since my dispatch No. 273, the alcalde (mayor of the old municipality under the Piérola government) refused to carry out the unanimous resolution of the municipal council, and allowed the council of 1879 to come in and take possession, in accordance with the decree of the provisional government of Garcia Calderon. I will further say that this is the only indication, since the above dispatches, of the acceptance of the provisional government by Peru.

Even the northern provinces, upon which it counted (and when I supposed the terror of the Chilian arms would have secured the adherence of the people), seem to be overwhelmingly opposed to the provisional government of Calderon, and to adhere to Piérola. This is also the case in the south. Arequipa, upon which the new government relied, so far as it has spoken at all, has pronounced in favor of Piérola, and so in Pisco, and almost everywhere; though in all these localities, many of the people, feeling the absolute necessity of an immediate peace, were disposed to support the new government, which, however, to me seems, thus far, to have lost rather than gained in popular favor.

The interests of Peru undoubtedly require the earliest possible peace, and in this view, I am inclined to think it would be best for Peru to acquiesce in the new government. But my own opinion of the expediency of the one or the other can have no weight upon the question of recognition; all I am to regulate my own conduct by upon that question is the consideration, *which is* the government of Peru; and however much I might think the majority have erred in their choice, yet, upon the question of recognition, I shall be compelled to follow that decision unless I receive other instructions from your department. At present all the indications are that nearly all the inhabitants east of the Andes still adhere to Piérola, and that the same is the fact with the majority between the mountains and the coast.

Each of these governments (so called) has called a congress—that of Pierola, to meet at Ayacucho on the 3d of June, and that of Garcia Calderon, to meet at Lima or its vicinity on the 15th of May. If both succeed in getting a congress together, it would seem that confusion will be still more confounded and that chaos must reign supreme.

Referring to my dispatch No. 257, I will further say that this provisional government assumed to pay, and I think did pay, $200,000 of the forced contribution of $1,000,000, imposed by the Chilian authorities upon fifty Peruvian citizens of Lima and Callao, and further assumed to pay the balance of $800,000 by the 14th April. And in the attempt to carry out this undertaking this provisional government has assessed the leading capitalists such sums as in their judgment they can pay, including in this assessment a few Americans and other neutral citizens (which the Chilians did not).

Some of our American citizens domiciled here will doubtless pay under protest, as I have advised all who have applied to me to do, if they pay at all. Others will not pay, but by my advice will insist, without admitting the validity of the provisional government, that even if the legitimacy of the government be admitted, it has no right to compel American citizens to pay, as it is a *forced contribution* or forced loan, which is forbidden by the second article of our treaty of September 6, 1870, with Peru.

If compelled by force to pay, I shall advise them to pay under protest. Of course, if a general tax should be ratably imposed upon the *real estate* of Lima, &c., including American citizens, by a government acknowledged as the Government of Peru, or being in fact such, taxes

of this kind would have to be paid in the same manner as if the owner were a native citizen of Peru. But the present imposition is not of this character, but is simply imposed upon the *person*.

I have, &c.,

I. P. CHRISTIANCY.

P. S.—Since writing the above, one American citizen who protested against the right to impose 40,000 soles as a contribution to meet the Chilian requisition, and whose protest was in the form I had suggested, relying upon our treaty, has just informed me that he has seen Garcia Calderon, the so-called President, who admits that he cannot impose such a burden upon American citizens, and that he declares the intention now not to attempt to enforce it upon any neutrals.

I. P. C.

No. 333.

Mr. Christiancy to Mr. Blaine.

No. 278.] LEGATION OF THE UNITED STATES,
Lima, Peru, April 5, 1881. (Received April 26.)

SIR: I have the honor to inform you that the Chilian press established in Lima has for some two or three weeks apparently foreshadowed a design on the part of the Chilian authorities, and, probably, of the Chilian Government, to bring about a confederation, to consist of Chili, Bolivia, and at least that part of Peru between the Andes and the Pacific (being that portion of Peru accessible to the army of Chili by reason of her complete control of the sea), leaving that portion of Peru east of the western range of the Andes to join, if she can be induced to do so, and, if not, to form a separate government by itself, cut off from the coast, as it would be.

This idea may be thrown out and apparently advocated, merely *in terrorem*, to compel the Peruvians to accept the government of Garcia Calderon, and thereby secure a peace upon such terms as Chili may choose to dictate, or it may be with deliberate intention of forcing the compliance of that part of Peru west of the mountains.

Now, while I am well satisfied that a confederation of the three republics, if it could be brought about upon cordial and friendly terms—in other words, in accordance with the sympathies and prejudices of the people of the three republics—would be the best arrangement for all of them, and that, in such an event, Ecuador and Colombia, and, possibly, all the other republics of South America might be brought into the plan, forming a union on the plan of the United States of America, yet now I look upon this scheme (if it is seriously entertained by Chili) as utterly visionary, so far, at least, as it relates to Peru (and probably so as to Bolivia). Had Chili, after her victory at Tacna, or at the conference at Arica, made such a proposition it might possibly have been entertained, though I think the old quarrel between the Pizarros and the Almagros—the "men of Peru and the men of Chili"—has been transmitted by descent and become hereditary. It is also possible that, even after the Chilian victories at San Juan and Miraflores, such a union might have been formed (which I think, however, would not have been lasting) had the Chilians pursued a conciliatory

policy towards Peru, instead of pursuing, as they did, the most vindictive policy and the most humiliating course towards Peru, exciting a deep feeling of hatred and revenge in the minds of Peruvians generally, which will for a century prevent any cordial union. And now any union to which the Peruvians might be compelled for the time to consent would be felt by them to be—as it really would be—nothing more nor less than actual conquest under the flimsy disguise of "union or confederation."

I have, &c.,

I. P. CHRISTIANCY.

No. 324.

Mr. Christiancy to Mr. Blaine.

No. 282.] LEGATION OF THE UNITED STATES,
Lima, Peru, April 13, 1881. (Received May 5.)

SIR: I have the honor to inclose to you a copy of my letter of the 11th instant to B. H. Kauffmann, our consular agent at Pacasmayo, Peru, in reference to the right of Peruvian or Chilian authorities to levy forced or extraordinary contributions upon American citizens, and to say further that those questions are likely to arise almost daily during the Chilian occupation.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure in No. 282.]

Mr. Christiancy to Mr. Kauffmann.

LEGATION OF THE UNITED STATES,
Lima, Peru, April 11, 1881.

DEAR SIR: I have just received your letter of the 10th January last, with that of April 6, explaining the oversight in not sooner sending the former letter, informing me of the occupation of that province by the Chilian forces; that they have made requisitions upon the municipal authorities for sustenance, and that in the distribution of the quotas the authorities (Peruvian, as I understand it) have made no distinction between foreign neutral property and that of Peruvians, and asking my opinion whether neutrals are obliged to pay contributions thus imposed.

In reply, I have to say that if the contribution is imposed upon the *real estate* of American or other neutral citizens by the Peruvian authorities, such neutral citizens, so far as relates to *such real estate*, and any taxes or burdens imposed thereon, are to be treated exactly as if they were Peruvians, such real estate and its immediate products, such as crops, partaking of the Peruvian national character. But if the forced contribution in question be imposed upon the person instead of the property of an American citizen, then it is safe for you to take the ground, as against such forced or extraordinary contribution, that American citizens are exempt therefrom under the second article of the treaty of September 6, 1870, which, among other things, provides that American citizens "shall not be called upon for any forced loan or extraordinary contribution for any military expedition or for any public purpose whatever."

There might, it is true, be a possible doubt whether this exemption would apply in behalf of an American citizen *domiciled* in Peru (that is, residing and having his house in Peru, especially with a family, and without any present intention of removing therefrom),

But whatever doubt there may be upon this last point, it is the safest course for you and for me to insist that the exemption applies as well to American citizens *domiciled* in Peru as to those who are here for a mere temporary purpose. I advised one Ameri-

can citizen, domiciled in Lima, and upon whom just such a forced contribution was proposed to be levied by the present provisional government here, to take the ground that he was exempt under the treaty. He called upon Mr. Calderon, the head of the provisional government, and took this ground, whereupon Mr. Calderon frankly admitted that he was exempt.

But Chili, having no treaty with the United States, is not bound by the law of nations to treat American citizens, domiciled in Peru, differently from native Peruvians, and may treat them in the same manner, and in some cases (such as the bombardment of a town or a battle in the country) they would not be bound, and in fact, could not make any distinction, though the American citizen might be there for a mere temporary purpose.

But in what is called the "Lynch raid" in September and October last, the Chilian Government had given orders to protect neutral property as far as possible, applying this even to real estate, and, I presume, they have such orders still, and they have quite generally sought to spare it here, further than they were bound to by the law of nations, except at Chorillos, Barranco, and Miraflores.

Finally, I would advise that if any American citizen shall be driven or induced, either by the Peruvian or Chilian authorities, to pay any such contributions, he should pay it under protest made through you, so as to save whatever rights of reclamation he may have.

I will ask you to do me the favor to make a copy of this letter and send it to Mr. Alfred Lapoint, our vice-consul at Chiclayo, and ask him to send a copy to each of our consular agents in his district, viz: Henry C. Smith, at Tumbez; Charles Stalpe, at Lobos de Afuero, and James H. Hayball, at Chimbote.

I am, &c.,

I. P. CHRISTIANCY.

No. 325.

Mr. Christiancy to Mr. Blaine.

No. 283.] LEGATION OF THE UNITED STATES,
Lima, Peru, April 13, 1881. (Received May 5.)

SIR: Referring to my dispatch, No. 277, upon the question, What constitutes the Government of Peru, I have the honor to inform you that nothing has since occurred which contributes to change the aspect of the question. Each government, from time to time, contrives to get statements of acts of adhesion signed by many citizens, and these often come from the same locality, the population being divided. But upon the whole the evidence, as yet, is quite clear that the overwhelming majority of the people of Peru are opposed to the provisional government, and still adhere to Piérola, and at present, if the Chilian army should leave to-morrow, the only safety of the members of the provisional government would be to leave with them.

In my own private opinion, however, if the provisional government had come up without any appearance of support from the Chilian authorities, it would have had many elements of popularity, and would probably have succeeded in obtaining the acquiescence of the people. This new government realizes the importance of an early peace with Chili, the necessity of which must be recognized by every thoughtful man, while that of Piérola professes to intend to carry on the war; but it has no means for the purpose at present, and my own opinion is that any efforts to do so will end in still greater calamities to Peru.

I have, &c.,

I. P. CHRISTIANCY.

No. 326.

Mr. Christiancy to Mr. Blaine.

No. 285.] LEGATION OF THE UNITED STATES,
Lima, Peru, April 17, 1881. (Received May 17.)

SIR: Up to the time of the capture of Lima, I endeavored to keep the Department informed of the progress of the war, and I intended after Lima was taken to give you an account of the maneuvers of the respective armies prior to the battle of San Juan (13th January), and that of Miraflores on the 15th January. But as Lieutenant Mullen, from the United States steamer Adams, accompanied the general staff of the Chilian army, and Lieutenant Houston, from the Lackawanna, was with the general staff of the Peruvian army from some weeks before these battles until they were closed, I wished, for the purpose of getting information in an authentic form, to obtain copies of their respective reports, which were promised me, and for which I waited. But I have never received either, and therefore have only to refer to their reports in the office of the Secretary of the Navy.

Since those battles there has been no actual fighting; some 6,000 of them having gone north along the coast and into the rich valleys near the coast to levy war contributions, where they find no hostile force to oppose them; some 5,000, more or less, returned to Chili, and from 5,000 to 7,000 have remained in and about Lima and Callao until 3 days ago, as I shall presently state.

Piérola, at last accounts, remained at Janja with a small force of about 200 men, but he still claims to be the Government of Peru, and issues his decrees as such, being as yet apparently sustained by the large majority of the people of Peru. (He has, a few days ago, issued a decree, declaring all persons traitors who aid or support the provisional government, and subjecting them to summary trial by court-martial, and his sub-chief, Solar, has issued a like decree at Arequipa.)

He sent General Montero some time since to the north to act in his interest, who is now supposed to be in the interior somewhere back of Trujillo, attempting to get up a military force in the interior. But we have no reliable intelligence whether he has succeeded in raising any such force. But Solar, at Arequipa (in the south), is reported to have under his command there somewhere from 5,000 to 7,000 men well armed, and the friends of Piérola expect the Bolivians to send to Solar's aid some 2,000 to 3,000 men. It is generally supposed that Piérola keeps up communication with Solar by couriers by way of Ayachuco, Cuzco, and Puno, and that he is endeavoring to stir up the people there and everywhere in the interior to maintain a kind of guerrilla warfare against the Chilian forces wherever the latter may attempt to penetrate into the interior.

The Chilian forces have full possession of the Oroya Railroad, which follows the valley of the Rimec and is finished to Chicla, 86 miles from Callao (where it reaches the height of 12,220 feet above the sea.)

In going up this road from Lima the valley grows narrower, and about 25 miles above Lima it becomes a mere narrow gorge, and so continues to Chicla, with here and there a small expansion of comparatively level ground, where some lateral gulch joins the main valley; but with the exception of these the mountains rise abruptly from the Rimec to heights and knobs varying from 2,000 to 5,000 feet, and so very steep (in some places perpendicular, and all entirely naked,) that they cannot be climbed in front by man, and in very few places even by the goat, except

at long distances where the side valleys come in, though they may almost all be climbed by a circuitous course from the rear. This is the character of the valley or gorge, at least from Chosica (29 miles above Lima) to Chicla, the present terminus of the railroad; and thence about 18 miles to the summit of the pass (over 15,000 feet above the sea) and for at least that distance on the other side the road is but a mule path, among even worse precipices, where horses, mules, and even men, have for much of the way to go single file; and, whereas, for much of the distance along the railroad, a few hundred men judiciously placed along the mountain tops, mostly out of the reach of fire, could without firing a shot, and by simply rolling rocks down the mountain, destroy an army below of ten times their own number.

Some weeks ago the Chilians established at Chosica a hospital for their sick (and perhaps some of the wounded) soldiers, which was left under the protection of a small force. Some ten days ago, these soldiers, whose camp was just at the foot of the mountain, were suddenly surprised by the rush down the mountains of large quantities of stones, set in motion by mountaineers most of whom were out of sight, and several Chilian soldiers were killed and more wounded.

This movement is believed to have been got up by two leading men known to be friendly to Piérola, and is supposed to have been with his consent.

About a week ago, a force of several hundred Chilians was sent up to chastise these mountaineers and to take vengeance upon them. In the execution of this object, they penetrated some side valleys, where there were three small villages embowered in fruit trees, the inhabitants escaping to the mountains; they destroyed the villages and as near as can be ascertained, killed some forty of the men, who could be reached from below, with their shot, and lost of their own force some 5 or 6 killed and 15 to 20 wounded.

On the evening of the 14th instant, in the most secret and quiet manner, four trains of cars loaded with Chilian soldiery of all arms of the service were dispatched from here to Chicla, with the design, as is generally understood, of marching from Chicla to Jauja, to surprise and capture Piérola, or drive him away. Reports were in circulation here, yesterday, that there had been fighting up the road or beyond Chicla, and that the Chilians had met with some loss. Those reports, however, are wholly unreliable. Still, last evening and this morning, as I am informed, some three trains more loaded with Chilian soldiers have been dispatched up the road, which must with those sent before make some 3,000 men in all.

It is also a common report here, which I am inclined to believe (though none but the Chilian officers know, and they are reticent), that another Chilian expedition left Pisco (a little over 100 miles south of Lima) for the interior, intended to cross the mountains and to strike somewhere near Ayachuco, or to the south of it, to cut off the flight of Piérola to the south. It is also rumored, but I think with less probability, that another Chilian force has been sent into the interior through some valley to the north, to intercept Piérola, should he attempt to go north.

But I look upon these movements (the last of which I think is not probable) as only auxiliary to the great expedition which all the Chilian press declares (and the Chilian officers here confirm) is now rapidly preparing for the capture of Arequipa, and the Mollendo, Arequipa and Puno railroad.

This expedition will, I think, be immediately set on foot, and, judg-

ing from the past, I am inclined to believe it will be successful; though many who know the country and the people there better than I do, think otherwise.

Upon the whole, present appearances seem to warrant, at least, the suspicion of a design on the part of Chili to attempt a full and final conquest of the whole of Peru, and its final annexation to Chili.

It is quite clear that this attempt could not succeed if the people in the interior had arms; but as they have not, they would seem to be situated with respect to the Chilian forces much as the Indian race was with respect to Pizarro and his forces, at the time of the first conquest, and may fall in the same manner; though such a result would not, in my opinion, result in a permanent peace, but a chronic state of war for centuries to come. But, as to the suspicion of such a design on the part of Chili, it may be proper to mention that some wealthy Peruvians who support the provisional government of Calderon, have been heard to express their wish that Chili might take and govern the whole of Peru; and there are not wanting strong suspicions among the Peruvians that this is the ultimate purpose for which the provisional government is working.

I express no opinion of my own upon this point; it is too difficult to get authentic information, as nothing like free newspaper discussion is permitted here. Any paper indulging in anything like free discussion being at once suppressed and its editors thrown into prison.

I have, &c.,

I. P. CHRISTIANCY.

No. 327.

Mr. Christiancy to Mr. Blaine.

No. 286.] LEGATION OF THE UNITED STATES,
Lima, Peru, April 19, 1881. (Received May 17.)

SIR: Referring to my dispatch No. 285, I have the honor to inclose to you an editorial from the Actualidad, the Chilian Government paper in Lima, together with a translation.

This article foreshadows in very plain terms what has for some time been suspected as to the real designs of Chili towards Peru.

It is, however, possible that it is written more for the purpose of driving the Peruvian people into the support of the provisional government with which Chili believes she can settle peace on her own terms. We shall soon see.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure in No. 286.—Cuttings from Actualidad and translation.]

The comedy follows.

Peru continues presenting to the world the most sorrowful spectacle that any nation ever presented in the hour of sacrifices and trial, when passion ought to be suppressed by the realization of great national calamity and to be concealed like a filthy leper, to give place to the noble and elevated efforts of those who seek the salvation of the country, inspiring all for good, for the common safety, and happiness.

Far from this, acts of disorganized anarchy from day to day give new confirmation and emphasis in terms which even now cannot be doubted for a moment that their only hope is for the retirement of the Chilian forces from Lima and Callao that they may unchain, as a final curse, a spontaneous social cataclysm, in which there shall be seen

to arise from the lowest depths of society all the bad passions to float on the surface, and to burst forth in a dizzy and devastating career like the "trompa marina," which makes whirls on the surface of the ocean.

Let us see what is passing. The government of Garcia Calderon orders the municipality of Lima to be prosecuted judicially for rebellion.

The ex-dictator, from his oriental mansion of Jauja, is issuing circulars to the diplomatic corps, accusing it (the provisional government) of usurping powers which belong exclusively to him as proprietor, as if the sovereignty of a nation was but merchandise which could be bought or seized from the country by violence, and which claims to receive a species of consecration from divine right.

The prefect, Solar, on the other hand, without circumlocution, and not to loss time in fabricating circulars, declare the government of Calderon traitors and condemns them to death.

On the other side, Señor Garcia Calderon addresses to Solar a paternal philippic to attract back to the fold this stray ewe.

Surely we have in this comedy the actors beating each other in fine style, with or without reason.

Señor Garcia Calderon (strikes) the municipality; Piérola, Garcia Calderon; the latter hits Solar, and Solar strikes at all the world.

Involuntarily there occurs to our memory that passage of Don Quixote—

"And as the saying runs, the cat went for the rat, the rat for the cord, the cord for the stick; the muleteer was beating Sancho, Sancho, the girl, and the girl returned the compliment; the landlord beat the girl, and they were going at it so freely that they really took no time for rest. The best work came in when the landlord's candle went out, and as they were left in the dark the beating went on all around indiscriminately, and without compassion, so much so that wherever they dropped their hands nothing was left entire."

Nothing less is passing among the men who still hold in their hands some fragments of the extinguished power of the nation.

It appears that with them the lamp of intelligence has been extinguished, and they give thrusts and counter-thrusts, like the blind, striking right and left, disconcerting the few feeble elements with which they might yet strengthen the action of the government, which seeks to combine all the scattered elements to give them unity under a single hand, and to place them at the service of the single work worthy of engaging the efforts of the whole country at this time, the organization of an administration which shall run no risk of being overwhelmed in the chaos of anarchy, which would endanger safety of the little which the war has left intact.

This continual conflict between the men who have remained in a situation to employ in the salvation of their country the few resources saved from shipwreck, if it shall continue longer, there will remain, no doubt, that Peru goes through a crisis in which the standard of judgment of those who still hold the last remain of military power is lost, and the inspirations of patriotism extinguished, goes on submitting, of its own accord, to a system of tutelage which is gradually imposed upon them by the very nature of coming events, and which acts foreshadow, merely, the rapidity with which the national dissolution of Peruvian personality is taking place.

All this comes amidst the perplexity produced by the stupefaction from great calamities; amidst the intoxication of political passions; amidst diplomatic circulars, judgments, philippics, excommunications, charges of treason, and fulminating decrees of death.

In the mean time, however, aside from the efforts of Mr. Garcia Calderon, there is not a great action, not a civic virtue which rises to the height of the situation in order to mitigate reciprocal hatred, and to place in a single hand, in the hand guided by common sense, the last floating plank of the great national shipwreck.

The curtain of the comedy is still raised, and Chili, impassible, quiet, serene, with folded arms, contemplates from her box the combat of decrees and circulars, where projectiles are crossing each other like a real bombardment.

At the most she says to herself, before locking up the insane and non compotes in the asylum, the sane must name guardians for the administration of their property.

No. 328.

Mr. Elmore to Mr. Blaine.

WASHINGTON, *May* 4, 1881.

SIR: Thanking your excellency for your kind and frank reception at our late unofficial interview, I have now the honor to inclose for your consideration a copy and a translation of my letter of credence

from the provisional government of Peru, constituting me the confidential agent of that government to the United States of America.

You will observe that claiming only to be the head of a provisional government, President Garcia Calderon has given me the character, not of an ordinary, but of a special diplomatic agent, investing me, however, with the most ample powers of a plenipotentiary to treat and agree on any and all subjects with your excellency's government.

I readily acknowledge that the United States Government, more than any other required the existence of certain conditions for the recognition of new governments, particularly in republican countries; but I am convinced that your excellency's government will be justified in recognizing the provisional government of Señor Garcia Calderon, in view of the extraordinary situation of Peru and of the exceptional circumstances under which that provisional government has been formed, its character, and its purposes.

As regards the unfortunate condition of Peru, your excellency is acquainted with the events of the last two years. Without here entering into long details, which I am ready to furnish you in conference or in writing, it is enough to state that, during the course of the war, the constitutionally elected president, General Prado, having left the country, a dictatorial government was formed in December, 1879, under the lead of Señor Piérola, who proclaimed himself dictator, after a bloody fight in the streets of Lima—a *coup d'état* graphically described by your minister in Peru in a dispatch to the State Department which appears published in the last volume of the Foreign Relations of the United States. That anti-republican government failed, as all such governments must always fail on this continent. The dispersion of its forces, the occupation of the capital and a part of the territory by the armies of Chili, and the complete disintegration of the civil authority represented by Señor Piérola, who with a few followers, has fled to the other side of the mountains, *and with whom the representatives of the Chilian Government have declared themselves unwilling to treat hereafter*, left Peru absolutely without any government which could either enforce order within, or treat with Chili as to terms of peace.

Under these circumstances, the people of Lima, representing largely the wealth, intelligence, and interests of the republic, supported by like demonstrations in other provinces of the country, called upon Señor Francisco Garcia Calderon, an eminent jurist and statesman and one of the most distinguished citizens of Peru, to organize a provisional government which recognizes as its only foundation the constitution of the country and as its only power the existing laws, and which has been established only to restore that constitution to its full vigor, and to summon the national Congress to meet on the 15th of the present month of May. No true patriot could have hesitated.

The government of Señor Garcia Calderon represents, on the one side, the aspiration of the Peruvian people to re-establish the reign of constitutional law and order; and, on the other, it represents the only means the republic possesses to bring about the conclusion of a treaty of peace with its present invaders.

Occupying this position of heavy responsibility, what Señor Garcia Calderon has instructed me to ask is, not the recognition of his present government as the permanent Government of Peru, but as the only organized authority which can enable the people to resume their constitutional rights and restore the government its regular action. Upon the absolute necessity of this course I need not dwell. It will be admitted that it is worthy of the position and power of the United States,

and in conformity with its traditional policy, to aid in this hour of need a younger and sister republic. Peru is now occupied by a hostile force, and the terms of peace, upon which only it will be withdrawn, cannot be either accepted or executed without a responsible and recognized government. The burden of this occupation and the sacrifices necessary to secure any treaty of peace with Chili must fall upon that portion of the republic in which the people have delegated in the most emphatic manner their authority to Señor Garcia Calderon. What he desires is, that foreign powers, especially the United States of America, should recognize the force and obligation of his position, and by that recognition encourage the people of Peru in the prompt restoration of constitutional authority.

The first and most important act, however, of Señor Garcia Calderon's government will be to conclude a treaty of peace with Chili, thus securing to Peru its sovereignty as an independent nation. Now, it is especially for this high and noble purpose that Peru appeals to the United States of America, and it is most particularly to this end that the Provisional Government of Peru has appointed the undersigned as its organ of communication with your excellency's government. I am desirous to lay before your excellency the earnest petition of Peru in this regard, and shall proceed to do so when your excellency advises me of my recognition as the representative of the Provisional Government of Peru.

The Peruvian people have always looked up to the United States for advice and counsel, and for its aid and support whenever needed, especially when its republican institutions or integrity have been threatened. My country deeply feels how much it owes to the great republic in the past, and more particularly for the efforts lately made by the United States to mediate in the present war. But the extraordinary events which are rapidly developing in South America are of such a dangerous and unexpected nature that, as soon as you give me the opportunity to do so, I desire, in accordance with my instructions, to lay before you the true tendency of those events, and to show you that the United States are interested in interposing their action in the settlement of this South American conflict, if they wish that republican institutions and the independence of the nations of this continent should be maintained.

The Provisional Government of Peru anxiously desires that the terms of peace with Chili be settled, with the advice and mediation of the United States, as the only means which will secure its continuance.

To this end I beg your excellency to please appoint a day and hour when I may have the honor to hand to your excellency the original letter of credence which accredits me as the confidential agent of Peru to the United States of America.

I have the honor, &c.,

J. F. ELMORE.

[Inclosure in note from Mr. Elmore.—Translation.]

Mr. Galvez to Mr Blaine.

DEPARTMENT OF FOREIGN AFFAIRS, *Maydalena, March 28*, 1881.

SIR: The earnest desire which animates his excellency the Provisional President of Peru, to cultivate and draw closer the friendly relations which exist between Peru and the United States of America has induced him to intrust Señor Federico Elmore with

the honorable mission of presenting to your excellency this letter, which accredits him as the confidential agent of Peru to the United States of America.

The intimate knowledge I have of the distinguished personal qualities of Señor Elmore, of his capacity, and of his zeal for the public service, satisfies me that your excellency will receive him with benevolence, and you will please give faith and credit to all communications he may address to your excellency within the limits of his instructions, and principally in regard to the earnest desire of the Peruvian Government to draw closer the friendly relations between our countries.

I avail myself, &c.,

M. M. GALVEZ.

His Excellency THE SECRETARY OF STATE OF THE UNITED STATES OF AMERICA.

No. 329.

Mr. Christiancy to Mr. Blaine.

[Extract.]

(Personal and confidential.)

LEGATION OF THE UNITED STATES,
Lima, Peru, May 4, 1881. (Received May 26.)

SIR: Referring to my dispatch No. 286, dated April 19, 1881, I wish to say confidentially and for your own eye alone (for the present), that, in my opinion, the Chilian Government intend to establish a kind of provincial government of their own over Peru, or so much of it as they can control, which, in my opinion (unless England and France, or the United States should actively intervene to prevent it), will be all of Peru west of the first range of Andes, and possibly still more.

Should such a result take place, I am inclined to think it would be equivalent to establishing the ascendency of English, over American influence on this coast, so long as such a provincial government should be maintained.

Some of my reasons for this conclusion will appear in my confidential dispatch No. 162, to which I refer, and so far as American commerce on this coast may be concerned, the products of Chili are mostly similar to those of our grain-producing States, viz, the cereals.

The productions of Peru are very different, though some of them might compete to a considerable extent with those of our country.

For a general view of the staple productions of Peru, her exports and imports, the value of her trade, and the various questions connected with the increase of our trade here, I refer you to the dispatches of Mr. Gibbs, my predecessor in this legation, Nos. 244 and 284, merely remarking that when I came here, the present war had just been declared, and it has been impossible to obtain any reliable statistics of commerce, but that it is evident there has been a great decrease of production and of exports and imports. The Chilians having taken the nitrate districts in the south, the production of this article by Peru is, for the present, practically extinguished; and Chili having command of the sea, Peruvian production and exportation of guano have been reduced to a very small fraction of what they were before. But I am informed by persons who profess to have made personal examination, that there are nitrate deposits in the north of Peru, nearly, if not quite, as rich and extensive as those in the south.

As to manufactured cotton, of course no one would think of import-

ing it into the United States, as they can afford to pay more for it in England. As to wool and sugar, our tariff is such that its importation into the United States is practically prohibited. Our wool growers would not consent to a reduction of duty upon ordinary wools; yet there is one kind of wool—the alpaca—which would not compete at all with home production. But England now takes practically all of this which is produced in Peru and Bolivia; and it may be worthy of consideration whether the mere local interests of Louisiana ought to deprive the whole Union of the benefits which would result from admitting Peruvian sugars at a reduced duty. But, not to go further into particulars, it is evident from the nature of the products and exports of Peru, she must find commerce with England, under past and present circumstances, more advantageous than with the United States, as England takes more of her products in return and thereby helps her more in the way of exchange.

While railroads were being constructed here, there were considerable importations of locomotives, railroad cars, and railroad plant, and may be again, if they ever get a settled government here. There has, also, been a small trade in furniture, the smaller kinds of hardware and cutlery, and farming implements, machinery, &c.; though, except upon some of the larger plantations, the demand for farming implements is small, as most of the small agriculturists prefer the antiquated method of plowing their lands with a crooked stick (iron pointed), and with oxen hitched by the horns.

Owing mostly to the mountainous character of the country, wagons or wheel carriages are unknown, except in a few of the larger cities (and lumber wagons on the sugar and rice plantations), the transportation being carried on almost everywhere on the backs of mules and donkeys, much of it even in the cities.

Another thing which has given to England the control of the commerce of this entire coast, is the establishment of an excellent line of steamers, at first largely subsidized, but now receiving no direct subsidy, and yet doing a profitable business. If the establishment of an American competing line would tend very largely to increase our commerce here, and to open large markets for our trade, I should be ready to give up my habitual opposition to such subsidies until the line could compete with opposition without them. But the other causes which I have mentioned (and many others which might be mentioned), which, aside from and independent of her line of steamers, tend to give England the control of the commerce of this entire coast, would still continue to operate, and an American line could not be supported without large subsidies.

The great mass of all classes of Peruvians feel a very strong attachment to the United States and a bitter hatred to England. Still, in matters of trade, pecuniary interest will, in the main, control.

Upon the whole, my conclusion is, that the only effectual way for the United States to control the commerce of Peru, and to preserve a commanding or even a material influence along this coast, is either actively to intervene in compelling a settlement of peace upon reasonable terms or to control Peru by a protectorate or by annexation, for either of which I am satisfied at least three-fourths, if not four-fifths, of her population would gladly vote to-day.

Unless the United States take one of these courses in the present emergency the "Monroe doctrine," so called, will be considered a myth in all the South American States. Whether our government ought so far to depart from its traditions as to adopt any one of these courses is

not for me to decide, nor to discuss the means necessary to carry any of these ideas into effect, nor do I express any opinion as to the propriety of any such projects, except to say that I should individually be strongly opposed to the idea of annexation, unless it could be had on terms that Peru should, for at least ten years, be subject to a territorial government, on the general plan of our territorial governments, and then to be admitted as States, at the discretion of Congress. In that ten years Peru would, under such a system, become wholly North American in its ideas.

These projects have lately been often and strongly pressed upon me by Peruvians, and I find that some of the Catholic clergy, even, are in favor of annexation. My only answer has uniformly been that, in my opinion, our people were not yet disposed to adopt any such policy; but that I would bring the whole matter, at the proper time, to the attention of my government, and be guided by their instructions.

I ought here to say, by way of introduction to what follows, that with my own personal observation of over two years, and the best sources of information I have been able to obtain, I am unable to discover any sufficient elements here for establishing an independent or even any kind of regular or permanent government of Peru; certainly no form of popular government by the Peruvians themselves. To state all the grounds for this conclusion would require a volume. I can only refer to a few of the fundamental reasons for this state of things, and for this conclusion. The original immigration into this country from Spain did not consist of men who, like the original colonists in the United States, only sought to better their conditions by honest, persevering industry, but of adventurers, seeking only to make money rapidly, by robbing the original inhabitants and by sudden accumulations of wealth from mines of silver and gold.

They found here a people well advanced in the arts of agriculture, producing all that was necessary for the support and comfort of the inhabitants (then amounting to some 8,000,000 or 9,000,000, in what is now Peru). They found every foot of ground in a high state of cultivation, wherever it was possible to bring water for irrigation. They not only seized upon all these lands and improvements, but made all the inhabitants slaves, and assigned the former owners, by repartimentos, as slaves to the few Spanish immigrants, to each of whom large tracts of country were granted, often amounting to ten, fifteen, or twenty townships, in our country. Many of the original inhabitants were also assigned as slaves to the leading men who settled in the towns and cities. The Spaniard would not labor and did not, but all the labor was done by the enslaved race, and afterwards, in some measure, by African slaves.

Nearly all the Spanish adventurers either took Indian wives or, which was more common, kept a harem of Indian girls, as many as he chose; but as a general rule they did not treat their children as slaves, but recognized them as their children. In this way it has happened that almost all the people of Peru are of this mixed race, and the mixture with the negro; so that I do not think there are now in the city of Lima two hundred families of pure white blood, and probably not in all Peru 200,000 of the white race unmixed. Slavery was only finally abolished here in 1856 (see Article IV of constitution of that year), and all the old ideas and habits of the people remain. Labor is looked upon as a disgrace and degradation, and as only fit for a servile race. Any man of standing in Lima, to-day, who purchases an article at a store, however small the package, would at once lose caste if he dared

to take it home in his hand. He must have a servant to carry it for him. The consequence of all this is, that all the sugar and rice estates, instead of employing free labor, have resorted to the Chinese, who are nominally imported into this country as hired servants, but, except in the cities under the eyes of responsible officers, these Chinese are treated with about the same severity as the slaves were in our Southern States, and in many respects worse, as they are generally locked in their quarters and kept under guard at night, and so many conditions are attached to their contracts of which they do not know the effect, upon which the employer assumes the right to decide, that in some and, I think, in most cases, after the Chinaman has served five or ten years he finds he has more time yet to serve than he had when he commenced, and few, if any, ever come out freemen.

There are many foreigners here, especially Italians, and some of other nationalities, who are not ashamed to live by their labor in some of the various trades. But aside from these and the Chinese the whole manual labor of Peru is performed mostly by the Indians and races mixed with them, who had been slaves, and by negroes and their mixed descendants, who had also been of the servile race, who constitute at least three-fourths of all the inhabitants of Peru. These, though now nominally free, are almost all treated in the interior (away from the cities) as practically slaves; their rights being almost wholly disregarded by the authorities, who, in many, if not in most, cases assume to fix the prices of labor of various kinds, which is also, to some extent, done even in the cities. The wages of these people, since I have been here, have not exceeded from 10 to 20 cents per day in our money.

It is also from these poor classes of people that all the Peruvian soldiery were drawn (except the "Lima Reserves," who were temporarily raised for the defense of Lima), and these forces were called *volunteers*; but the way they were made to volunteer was for officers to go through the country with an armed escort, and *compel* the poor fellows to fall in. If they refused, they were taken by force, tied together, and put on the cars, or compelled to march to Lima. I have myself seen scores of such volunteers, thus tied, marching through the streets of Lima. Not a single white man did I ever see in the ranks (though the officers were whites), except the "reserves" above mentioned. All these men of Indian descent are docile, amiable, and brave, and will fight as long as their officers will stand; but the officers (all white) fled by scores and hundreds from San Juan and Miraflores, leaving their men to do the same. The battle of the 13th opened at daylight, some 10 miles from Lima, and at 9 o'clock a. m. I saw in the streets of Lima enough Peruvian officers with shoulder-straps to make an entire regiment. It is but right to say here that the Chilian army, though called volunteers, was, much of it, raised in the same way, and from similar mixed races, more largely Indians mixed with whites and less with Africans. (I have seen but few white men in their ranks.) The Indians of Chili and the mixture of Indians and whites are more vigorous, enterprising, desperate, and cruel than the corresponding races in Peru, partaking more of the Araucanian type; but the Chilian officers were far superior to those of Peru, and less under the blind guidance of the church (though the private soldiers are about equally so), and the government of Chili is composed of more enlightened men wholly emancipated from the control of the church and ready to adopt all modern improvements in warfare.

But to return, after this long digression, to the question of labor and the laboring classes, I must say that, with my democratic and repub-

lican ideas, knowing that the great masses of people in all countries always have been and always will be compelled to get their living by the sweat of their brows, and fully believing that the government which best secures the greatest good of the greatest number is to be esteemed the *best*, I am compelled to estimate the prosperity of every country by the adequacy or inadequacy of the compensation which it enables the great mass of its citizens to obtain for its labor. That country which secures to them the highest compensation is the most prosperous, and that which secures them the least is the worst and least prosperous.

From what I have already said, it might appear sufficiently evident that the laboring classes in Peru are sunk beyond the hope of redemption. * * *

Every man naturally looks only to what he deems his own immediate interest or elevation to power; and, when placed in power, he seeks only to enrich himself by the opportunities which his office gives him to appropriate the public funds to his own use. This has become so settled a conviction in the public mind that whenever any man obtains office it is at once assumed by the people that such is his object. This opinion is, doubtless, sometimes unjust, but on looking back through the various governments and forms of governments, I am satisfied this conviction is generally well founded. If, for instance (except in a time of war when no administration would dare to entertain any claim), any man had a claim against the government, well or ill founded, he could get it allowed by giving a fair share of it to the President and cabinet officers, and however good the claim might be, it was seldom allowed without this reward.

The joint commission got up here by * * * in favor of American claims, was no exception to the general rule; and, I am informed, several claims were allowed against Peru, which never should have been allowed at all, or only for a much smaller sum; * * * allowing some special friend, such as ———, to make the arrangements between the claimants and the officers of the government, and these claimants paying sometimes 70 per cent. and upwards of their claims, which percentage, to all appearance, must have been shared among all the parties acting in the scheme.

This however, is only a sample of the mode in which the public business has generally been transacted by the various Peruvian Governments here for many years past. A few honest men have, from time to time, been in office, who could not thus be bought, but were compelled to retire from office.

There seems to be no fixed principle of honesty, no idea even of that self-sacrificing patriotism which is essential to a proper and honest administration of government.

Such are the people of Peru. The picture has been but feebly drawn. I have only been able to touch the prominent points, the "vestigia." To fill it up would require a large volume, which I have not time to write nor you to read. * * * Chili has been able to secure a more permanent government, and better to enforce financial honesty in her administration, and to preserve her public credit. But the grievances of and impositions upon her laboring classes—the great mass of her people—are essentially the same as in Peru; and the grade of civilization among the masses even below that of Peru, the church having equal control over them; and committing the same kinds of abuses.

In short, I would not advise the United States or her people or any other enlightened people to take *any stock* in any of the South American republics, unless they can take the *controlling* stock. This they

could easily have in Peru, if they choose to take it. The disposition of the masses of the people is favorable to the United States. A United States protectorate or annexation would be hailed with delight. In the hands or under the control of the United States, Peru would soon again become one of the richest countries of the world. I will not trouble you with her geography, which, if you do not already know, you can readily learn. There is enough of the country to make five or six large States, to say nothing of other parts of Peru, which are well known. The eastern slope of the Andes, along the upper branches of the Amazon, is one of the richest agricultural countries in the world; stocked with the most valuable timber and producing everything which a tropical climate can produce, but at present almost entirely in possession of the wild Indians; and I give only the opinion of geologists and that of all intelligent travelers when I say that there are still more valuable mines of silver and gold in Peru than in any other country of like extent in the world. And if it belonged to the United States it would not be two years before it would eclipse California, Nevada, Colorado, and all the mining regions along the Rocky Mountains in the production of the precious metals.

Fifty thousand enterprising citizens of the United States would control the whole population and make Peru wholly (North) American.

Peru under the control of our country, we should control all the other republics of South America, and the "Monroe doctrine" would become a verity. Large markets would be opened to our productions and manufactures and a wide field opened for the enterprise of our people.

Whether all these advantages are sufficient to outweigh the wise, traditional policy of our government it is not for me to express an opinion. I only bring the matter to the attention of my government, leaving that government to decide.

If Peru lay contiguous to the United States, our citizens would soon relieve our government from all responsibility by taking possession of the country, and in due time asking its admission as a part of the United States.

But, as a single individual, I must declare my utter repugnance to the idea of its incorporation as a part of our Union, until American ideas first get control of its population. I want no more such discordant elements, until we have digested and assimilated what we have already.

* * * * * * *

This letter must be treated as perfectly confidential, for your own eye and that of the President alone. I do not even copy it in the records of the legation, and ask that it may not be placed on file in the Department. My own life, even, would not be safe here for one day if it were made public.

I have, &c.,

I. P. CHRISTIANCY.

Hon. JAMES G. BLAINE,
Secretary of State, Washington, D. C.

No. 330.

Mr. Christiancy to Mr. Blaine.

No. 292.] LEGATION OF THE UNITED STATES,
Lima, Peru, May 5, 1881. (Received June 2.)

SIR: Referring to my dispatches Nos. 230, 237, and 242, in reference

to the question whether the Chilians or Peruvians were most responsible for the breach of the armistice on the 15th of January last, I have now to say that the question has at last been practically solved. The committee of the diplomatic corps, consisting of Mr. Pinto, of Salvador (its dean), and the ministers of England and France, who, with the dean, constituted the committee of the corps, who, on the morning of the 15th January, arranged the armistice with General Baquedano, and the Chilian staff, seeing the report of General Baquedano, as made to his own government, have felt it their duty to make an official statement of the real terms of the armistice, which is quite different from the statement of the report of General Baquedano. The general, in his report, stated substantially that he reserved the right of making any movement in the mean time, with the single condition that he was not to open fire upon the Peruvians until 12 o'clock of the night of the 15th. This, if true, would have allowed him to move his lines up to the front of and into the very lines of the Peruvian force; to attack them by his cavalry, so long as they used only the sabre, and did not fire, &c.; all which would, of course, render the armistice a farce.

But it will be seen by the joint statement of the three ministers, who arranged the terms (which I here inclose, with a translation), that the right reserved by the Chilian authorities—to make any new movement in the mean time or to complete any movement already commenced—was under the express reservation that such movement should not go beyond the grand (or advanced) guard of their army, which, of course, must mean as that guard was then placed (at about 7 o'clock in the morning). Any other meaning would make nonsense, when the actual circumstances are considered.

Now, it clearly appears, from the report of the chief of the Chilian artillery, when compared with other well-known facts, that their artillery on their left (the Peruvian right) was moved far in advance of the position held by the "grand guard" in the morning, and that this movement took place as early as 11 a. m., and that this commandant of artillery, finding himself so far in advance of the rest of the Chilian army, sent a request to have the infantry advanced to cover his flanks, which was promptly accorded, thus bringing the Chilian line much nearer to the Peruvian line than was contemplated by the armistice; that even General Baquedano, with his staff, reconnoitering when the battle opened, was far in advance of the line held by his "grand guard" in the morning; in short, that this forward movement was such as naturally and reasonably to induce the belief in the Peruvian forces, that the Chilians were deliberately setting the terms of the armistice at defiance, and intended to attack them in defiance of the armistice. In this view the responsibility for the breach of the armistice must rest upon the Chilian commanders, though the first gun was fired by the Peruvians.

I make no further comments upon this transaction than to say, that in a war between these South American governments, experience has demonstrated that the same scrupulous good faith in the observance of any armistice, or any other arrangement between belligerents, is hardly to be expected as would be expected with the more enlightened nations of Europe and in the United States.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure in No. 292.—Translation.]

We, the undersigned, ministers of Salvador, France, and England, being authorized to offer the good offices of the diplomatic corps, to the two belligerents, after the battle of Chorillos,

Considering, that the report of General Baquedano does not state exactly the facts as they took place on the morning of the 15th January, during our interview with the chiefs of the Chilian army.

Considering besides that the publication of that report tends to give an erroneous impression of the character of our action, and the arrangement agreed upon,

We declare:

1st. That we presented ourselves at the conference at the request of Mr. Piérola, in order to learn the conditions of peace.

2d. That after these having been brought to our knowledge unofficially, and other conditions, preliminary to all negotiation having been placed before us officially, we asked a suspension of hostilities in order to give the supreme chief time to deliberate.

3d. That we agreed that that suspension of hostilities should last until midnight of the same day.

4th. That the Chilians insisting upon completing a movement already commenced, we agreed to this. But under the express reservation accepted by them, that the movement should not go beyond the grand guard (advance guards) of their army. (Meaning as then placed.)

In faith of which, and in order that the truth may appear, we have signed the present procès verbal.

Lima, April 27, 1881.

I. DE P. PINTO,
Minister Plenipotentiary of Salvador.
E. DE VERGES,
Minister of the French Republic.
SPENCER ST. JOHN,
Her Majesty's Minister Resident.

No. 331.

Mr. Christiancy to Mr. Blaine.

No. 295.] LEGATION OF THE UNITED STATES,
Lima, Peru, May 8, 1881. (Received June 2.)

SIR: I have the honor to inclose to you the copy of a letter from B. H. Kauffmann, our consular agent at Pacasmayo, dated May 5, 1881, in reference to the attempt of the Peruvian authorities to levy war contributions upon American citizens, and their conclusion to desist from that attempt.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure in No. 295.]

Mr. Kauffmann to Mr. Christiancy.

UNITED STATES CONSULAR AGENCY,
Pacasmayo, Peru, May 5, 1881.

SIR: I have the honor to acknowledge receipt of your notes Nos. 146 and 147, in the former of which you advise me of the appointment of Mr. A. Lapoint to be United States vice-consul at Chiclayo, and in the latter you kindly reply to my letter making inquiry as to the status of neutrals in reference to payment of contributions for the sustenance of the detachment of the Chilian army of occupation now stationed in this province.

I now have the satisfaction of stating that in view of your letter, and the quotation (respecting) of treaty stipulations respecting the levying of extraordinary contributions, the Peruvian authorities (who pretended to levy the said contribution) have desisted from their pretensions to that end.

I am, &c.

B. H. KAUFFMANN.

No. 332.

Mr. Christiancy to Mr. Blaine.

No. 296.] LEGATION OF THE UNITED STATES,
Lima, Peru, May 9, 1881. (Received June 2.)

SIR: I have intimated, in several of my late dispatches, that the action of the Chilian Government, as shown by their officers here, fore shadowed the intention of that government to hold the whole of Peru or so much of it as they should find practicable, at least all west summits of the western range of the Andes, as a permanent conquest.

Enough has now transpired to show that my suspicions were correct.

The mask has now been completely thrown off. The Chilian papers, both in Chili and Peru, openly declare this as the intention of the Chilian Government; and the military officers here openly declare the same thing. Colonel Lagos, the commander of the Chilian forces here, had made an arrangement with the provisional government of Francisco Garcia Calderon, to allow his government the control of the custom-house in the northern ports of Peru, to enable him to support his government and the right to send some 500 or 600 soldiers to the northern towns to enforce his authority to this end.

But some four or five days since the assistant secretary of war of Chili arrived here and the above arrangement was at once disapproved and revoked, and Senior Calderon's soldiers were not allowed to embark; and no effort is now made to conceal the intention to occupy Peru indefinitely; but this intention is publically declared.

As explained by the best informed Chilian officers, the plan is to establish a civil government here under the protection of her army, a kind of provincial government, similar to that of the old viceroys, while the country belonged to Spain. Some of the Chilian officers give out that the arrangement is to last for some five years, more or less, until Peru shall have been able to establish a government of its own; but how it is to do this while the country is under the Government of Chili, which is not likely to tolerate any attempt of this kind, is not explained.

In plain English, it is now clear that Chili means to hold the whole of Peru by right of conquest if she can.

Is there anything to prevent this result? Certainly (as to that part of Peru west of the summits of the western range of Andes) nothing short of the intervention of some European power or powers, or that of the United States.

The ministers of England and France had been authorized by their respective governments to offer their good offices by way of mediation, and though this offer had not been directly repulsed by Chili, but (as near as I can learn) accepted under qualifications, those ministers now (under the present resolution of the Chilian Government) find no opening for the success of their efforts. Our minister in Chili has doubtless offered the mediation of our government, but the result must necessarily be the same. Mediation, simply *as such*, must now be utterly fruitless. Intervention against the will of Chili seems the only means of preventing the absorption of the greater part, or the whole of Peru by Chili.

Will any European government thus intervene? It seems to be well settled that the German Empire will not, nor will it even interfere by

way of offering mediation. It is not at all likely that Italy would do so *alone*, though she has a powerful fleet. Russia and Austria have little interest in the question, and there remain only England and France, both of which seem to act in perfect accord, through their representatives here.

That England will not intervene as against Chili is sufficiently evident, not only from what is stated in my private and personal dispatch of last week, but from information I have this day received from the British minister, who informs me there is not the slightest probability that England will so intervene.

Will the United States do so?

This is a question which is not for me to answer. I have kept your department fully advised of the facts upon which the solution of the question depends, and here my duty ends, until I shall receive instructions, which I am ready on all occasions to follow.

I ought to say further here that the provisional government had been endeavoring to get the old congress of 1879 to meet here or at Chorillos on the 15th instant, but they still lacked 34 of a quorum. I think now the idea of holding a congress will be abandoned, and that the Chilian authorities will not permit its meeting, if a quorum should be obtained. In fact it would seem now that the provincial government must go down. But we shall soon see.

I have, &c.,

I. P. CHRISTIANCY.

P. S.—Perhaps I ought to add here (what sufficiently appears in my former dispatches), that the principal grounds upon which the Chilian authorities claim to base the right to adopt this policy of indefinite occupation, viz, that it has become necessary, because the Peruvians have neglected to form a government with which they could treat, and the anarchy which results from this state of things has been deliberately produced by their own action, and, to all appearance, for the very purpose of furnishing a pretext for the policy which they have finally adopted. They could have readily treated with Piérola, who was anxious to treat, and who had been and still is recognized by all the governments represented here, and by the Chilians themselves at Arica. But they refused to treat with him, and encouraged the setting up the provisional government of Calderon, and from time to time encouraged that government in its efforts, to some extent, but soon began to treat it with contempt, and to cut off from it one privilege after another, still allowing it to appeal to the people of Peru for their adhesion, and to call congress together, thus dividing the people of Peru between Piérola and Calderon in a manner which threatened civil war.

The ruse has been successful in producing the result desired, but quite unsuccessful, so far as relates to the concealment of the true motives of their action.

P. S.—MAY 11.—I learn from a letter this day received from Mr. Osborn, that the Chilian Government actually rejected the offer of mediation by England and France.—I. P. C.

No. 333.

Mr. Blaine to Mr. Christiancy.

DEPARTMENT OF STATE,
No. 143.] *Washington, May 9, 1881.*

SIR: In your last dispatch, No. —, you informed this Department that the Chilian Government refused absolutely to recognize General Piérola as representing the civil authority in Peru, and that Señor Calderon was at the head of a provisional government.

If the Calderon government is supported by the character and intelligence of Peru and is really endeavoring to restore constitutional government with a view both to order within and negotiation with Chili for peace, you may recognize it as the existing provisional government, and render what aid you can by advice and good offices to that end.

Mr. Elmore has been received by me as the confidential agent of such provisional government.

I am, &c.,

JAMES G. BLAINE.

No. 334.

Mr. Blaine to Mr. Christiancy.

DEPARTMENT OF STATE,
No. 144.] *Washington, May 12, 1881.*

SIR: I have to acknowledge the receipt of your No. 282, and to approve the tenor of your letter (a copy of which you inclose) to Mr. Kauffmann, consular agent, &c., on the question of the right of Peruvian or Chilian authorities to levy forced or extraordinary contributions upon American citizens in Peru.

I am, &c.,

JAMES G. BLAINE.

No. 335.

Mr. Christiancy to Mr. Blaine.

No. 301.] LEGATION OF THE UNITED STATES,
Lima, Peru, May 17, 1881. (Received June 17.)

SIR: I have the honor to inform you that on the 14th instant the following appeared in El Oden of Lima, the paper which is the organ of the provisional government of Calderon, viz:

[Cablegrama oficial, Paris, 12 de Mayo, Valparaiso, 13, a la 1.50 p. m.]

Presidente CALDERON, *Lima:*

Elmore telegrafia de Washington, que le comunique que el gobierno Calderon ha sido reconocido por el Gobierno Americano.

[English: official cablegram, Paris, May 12, Valparaiso, 13th, at 1.50 p. m.]

President CALDERON, *Lima:*

Elmore telegraphs from Washington saying that the Calderon government has been recognized by the American Government.

If I could confidently rely upon the authenticity of this, I should, of course, at once recognize the provisional government, though no other minister here has yet done so. The dispatch looks authentic on its face, when taken in connection with the facts that Elmore is understood here to be the agent of Calderon's government at Washington, that Goyeneche is a relation of Calderon, that he is the wealthiest citizen of Peru, that he resides in Paris, and that Calderon has had the charge of his property and business here.

For these reasons all the ministers of foreign nations here have taken it for granted that the cablegram is authentic, and that the United States has recognized the provisional government. They have inquired of me, and I have been compelled to say to them that they knew as much as I did in reference to the matter, as all the evidence I had was the publication of the dispatch in the paper; that it *might be* true, but that it seemed to me that in a matter of such importance it would naturally be supposed my government would have telegraphed me, instead of leaving me to guess at the authenticity of the dispatch sent as this was, through a party in no way authorized to speak for my government, and that for these reasons I doubted the truth of the dispatch, and that I must therefore wait for direct official information from my government before taking any step officially for recognition until I should see satisfactory evidence that Peru had acquiesced in the provisional government; the evidence of which I have not yet seen, though for the last week that government *seems* to have made some progress in this direction; since, so far as we can learn, Piérola has been driven from Jauja, and his present whereabouts is unknown.

I have, &c.,

I. P. CHRISTIANCY.

No. 336.

Mr. Christiancy to Mr. Blaine.

No. 302.] LEGATION OF THE UNITED STATES,
Lima, Peru, May 17, 1881. (Received June 17.)

SIR: Referring to my dispatch No. 296, I have the honor to inform you that though the tone of the Chilian press here and in Chili remains the same upon the subject of "*ocupacion indefinida*" (indefinite occupation), the Chilian authorities here have, within the last few days, allowed señor Calderon's government to send to the northern coast some 300 soldiers, to enable him to enforce his authority there, but whether this is in aid of his right to collect duties there, or to enable him to drive the prefects of Piérola from the provinces, is not publicly known here; though I think the latter is the purpose; but, in either view, it gives some ground for a suspicion that the ground taken by the Chilian papers and officers in favor of "indefinite occupation" may have been taken only *in terrorem*, to drive the people into the support of the Calderon government, as I suggested in my dispatch No. 286.

There is still another ground for this suspicion. It is well known that the present Government of Chili is composed of the liberal party, which, if left to its own free choice, would have always been willing to make peace upon reasonable terms; but this liberal party holds power by a very small majority, and all the other parties and fragments of

parties combine for the purpose of putting it down, each in hopes that his own party may gain something by the change.

The most prominent of these opposition parties are the extreme war party and the church party. In deference to these and the opposition generally, all of whom have found it for their interest to act with the extreme war party, the present Secretary of War, Vergara, was put into the cabinet.

He is an able and practical man, with too much intelligence not to see the excesses of the populace, who compose the mass of the extreme war party.

An election is soon to come off for president of the republic. Santa Maria is the candidate of the liberals, and General Baquedano is likely to be the representative of the war party. The fear that the war party may succeed, and the knowledge that a successful general is always popular with the masses, may have driven even the liberal party to take ground in favor of "indefinite occupation," and during the political campaign to show themselves as extreme in this direction as their opponents, without any real intention of carrying out the extremes of that policy if elected.

Besides all these things the relations of Chili with the Argentine Republic are by no means cordial, and Chili may have some apprehensions that, with her long backbone exposed, the Argentines may almost any day penetrate between her spinal processes, and strike a fatal blow at her vital parts. My own opinion is, that any attempt of Chili to hold Peru as a conquered country will, at no very distant day, lead to this or a similar catastrophe, and I have some suspicion that the Chilian Government see this in the same light as I do. But it is not possible at present to ascertain precisely the ideas of the Chilian Government, if they have any very definite policy, which I doubt.

The 15th instant was the day fixed by Calderon for the meeting of congress, but about 25 were still wanting to make a quorum.

I have, &c.,

I. P. CHRISTIANCY.

P. S.—MAY 23.—Since writing the above it has become still more probable that the threat of "indefinite occupation" was intended only to drive the Peruvians into the support of the provisional government, as two days ago they allowed this government to send 75 soldiers to Tarma, Oroya, &c., to control that part of the country, so as to allow the members of congress to come to Lima, and it now begins to look as if Calderon might secure a quorum (two-thirds) of the congress. If he does succeed, it will be some evidence that Peru acquiesces in that government. And if he gets the two-thirds of the members, I think I shall at once recognize the provisional government, or that of congress and the president they may elect, unless, in the mean time, I shall receive other instructions.

Your friend, &c.,

I. P. C.

No. 337.

Mr. Christiancy to Mr. Blaine.

No. 305.] LEGATION OF THE UNITED STATES,
Lima, Peru, May 23, 1881. (Received June 17.)

SIR: Referring to my dispatch No. 285, in which I stated it as prob-

able that the Chilians had sent an expedition from Pisco at the south and from some point at the north to co-operate with the force sent via Chicla into the department of Junin, so as to cut off the retreat of Piérola from Jauja, I have now the honor to state that from all sources of recent information no such *additional* expeditions were sent; that the expedition sent via Chicla went to Cerro de Pasco, to Tarma, and to Oroya; that it is not entirely certain that they have even yet taken Jauja, though I think this probable, and it is now intimated in the papers that this force sent via Chicla to Cerro de Pasco is ordered to return.

I have direct information from the secretary general of Piérola that the latter left Jauja for the south on the 28th April, and I infer that he is at this time at or near Arequipa, but he expected, when he left Jauja, to return to Ayacucho by the 6th June, at which time the congress called by him were to meet there.

Referring to my same dispatch, 285, I have further to say that the contemplated Chilian expedition to Arequipa has not yet taken place, so far as we can learn here. The papers lately have been silent on the subject.

Still, unless peace should soon take place, I look upon the expedition as a necessity, and am inclined to believe it would be successful.

I have, &c.,

I. P. CHRISTIANCY.

No. 338.

Mr. Christiancy to Mr. Blaine.

No. 310.] LEGATION OF THE UNITED STATES,
Lima, Peru, May 27, 1881. (Received June 27.)

SIR: I have the honor to inform you that on the 1st instant I, with every other member of the diplomatic corps here, received a circular letter, dated April 30, from M. M. Galvez, claiming to be the secretary of foreign relations of Peru, under the provisional government of Doctor Don Francisco Garcia Calderon, stating the installation of that government and the names of the cabinet officers; this being evidently written to invite a recognition by the diplomatic corps. A meeting of that corps was called a day or two after to consider the propriety of answering. The whole corps agreed that there was yet no sufficient evidence that this provisional government had become the Government *de facto* of Peru, and all concurred in the resolution not as yet to make any reply. Another meeting of the corps was held yesterday, upon the same subject, and while all (with the possible exception of one) agreed that there was yet no sufficient ground for recognition, yet several, of whom I was one, thought it would be proper to acknowledge the receipt of the letter, but in a manner which could not be construed as a recognition. Some two or three seemed to object to answering, because they thought they could not do so without implying a recognition.

I saw no difficulty in this, and feeling that it was right to treat with entire frankness and candor the men claiming to constitute the government, I have therefore written to Mr. Galvez the letter of the 26th instant, a copy of which I inclose.

In connection with this I refer to my dispatch No. 264, stating the explanation I then gave Mr. Galvez.

On the 25th of March I also wrote a note to Piérola, or rather his Secretary-General, explaining to him the ground upon which I should proceed with reference to recognition, to exactly the same effect, and almost in the same words as in the conversation with Galvez. (I also sent him copy of so much of Department dispatch No. 128, as relates to the desire of our government to bring about an early peace.)

The above note was sent by the private courier of a friend of mine, as the mails in that direction cannot be trusted at all, but its receipt has been acknowledged.

As to the progress which the Calderon government have been making I refer you to my dispatches Nos. 277, 283, 285, 302, and 305.

Since my dispatch 302, the provisional government have been allowed to send some 235 more men, making about 300 in all, into the province of Junin, for the purpose, as I suppose, of allowing the congressmen from that region to come to Lima. But this force is too small to prevent Piérola's congress from meeting at Ayacucho on the 6th June, as it is reported and believed here that Piérola will bring them from the south at least 1,000 men.

Such is the position at present. There is no difference of opinion in the diplomatic corps as to the principles of recognition. But all seem now to have become satisfied that unless the provisional government shall succeed there will be little hope of an early peace.

I have, &c.,

I. P. CHRISTIANCY.

P. S.—JUNE 1.—I send inclosed copy and translation of telegram this day received by the dean of the diplomatic corps from Piérola's secretary-general, dated May 26. This movement may lead to delay in the recognition of the provisional government until it can be ascertained what success Piérola may have in obtaining a national representation.—I. P. C.

[Inclosure I in No. 310.]

Mr. Christiancy to Mr. Galvez.

LEGATION OF THE UNITED STATES,
Lima, Peru, May 26, 1881.

Señor Don M. M. GALVEZ.

I received your letter of April 30, informing me of the installation of the provisional government, of which Señor Doctor Don Francisco Garcia Calderon was said to be the head, and naming the other executive officers.

I have refrained from answering your letter hitherto, not by reason of any disrespect for or hostility to Mr. Calderon or to you, or to any of the persons mentioned as his cabinet. But (as I had the honor verbally to explain to you some time ago) because my government had acknowledged and instructed me to acknowledge the government of Piérola; and upon the principles upon which my government have heretofore acted in like cases I could not *without its instructions*, recognize another Government of Peru, hostile to that already recognized, until it shall clearly and satisfactorily appear to me that the majority of the people of Peru have adopted, or acquiesced in the new government. The moment this shall satisfactorily appear, I shall, on the part of my government, most cordially recognize the new government without waiting any instructions. I have carefully endeavored to obtain all the evidence in my power upon this point; and, though this new movement to establish a government in opposition to that of Piérola seems for the last few weeks to have made considerable progress in obtaining the approval of the people of Peru, I cannot yet say that the evidence is sufficiently clear, that it has, up to this time, been adopted by the majority.

Should it obtain a quorum of the congress which it has called together, this would be strong proof in its favor, and sufficient for me, unless it should appear at that time probable that the congress called by Piérola would be more likely to represent the majority, in which case I should have to wait a few days to ascertain the facts.

I have kept my government fully informed of the principles upon which I intended to act on this question of recognition, unless otherwise instructed, and though there has been ample time for receiving their instructions by mail, if not satisfied with the course I intend to pursue, I have yet received no instructions whatever upon this point; from which I am compelled to infer that there must be some mistake in the telegram from Paris published in El Orden of the 14th instant. Had I received such a telegram from my government, I should have promptly recognized the new government. But very clearly I cannot act upon this unofficial dispatch.

Please accept the assurance, &c.,

T. P. CHRISTIANCY.

[Inclosure 2 in No. 310.—Telegram.—Translation.]

(Received in Chala, May 26, at 8.40 p. m., from Arequipa, May 26, 1881.)

No. 190.

Señor JORGE DE TEZAMES PINTO,

Dean of the Diplomatic Corps, Lima:

His excellency the supreme chief, his secretary-general (subscribing), and suit, arrived yesterday at this city, his excellency having been the object of the warmest demonstrations of adhesion and enthusiasm in all the departments on his passage. We shall remain at Arequipa until the 15th June, and leave on that date for Ayacucho, in order to install on the first of July the national assembly, the meeting of which has been postponed to that date.

Be pleased to transmit this communication to the honorable colleagues of the diplomatic corps, of whom I subscribe myself their obedient servant,

AURELIO GARCÍA y GARCÍA.

No. 339.

Mr. Blaine to Mr. Hurlbut.

No. 2.] DEPARTMENT OF STATE,
Washington, June 15, 1881.

SIR: The deplorable condition of Peru, the disorganization of its government, and the absence of precise and trustworthy information as to the state of affairs now existing in that unhappy country, render it impossible to give you instructions as full and definite as I would desire.

Judging from the most recent dispatches from our ministers, you will probably find on the part of the Chilian authorities in possession of Peru a willingness to facilitate the establishment of the provisional government which has been attempted by Señor Calderon. If so you will do all you properly can to encourage the Peruvians to accept any reasonable conditions and limitations with which this concession may be accompanied. It is vitally important to Peru that she be allowed to resume the functions of a native and orderly government, both for the purposes of internal administration and the negotiation of peace. To obtain this end it would be far better to accept conditions which may be hard and unwelcome than by demanding too much to force the continuance of the military control of Chili. It is hoped that you will be able, in your necessary association with the Chilian authorities, to impress upon them that the more liberal and considerate their policy, the surer it will be to obtain a lasting and satisfactory settlement. The Peruvians cannot but be aware of the sympathy and interest of the

people and Government of the United States, and will, I feel confident, be prepared to give to your representations the consideration to which the friendly anxiety of this government entitles them.

The United States cannot refuse to recognize the rights which the Chilian Government has acquired by the successes of the war, and it may be that a cession of territory will be the necessary price to be paid for peace. It would seem to be injudicious for Peru to declare that under no circumstances could the loss of territory be accepted as the result of negotiation. The great objects of the provisional authorities of Peru would seem to be to secure the establishment of a constitutional government, and next to succeed in the opening of negotiations for peace without the declaration of preliminary conditions as an *ultimatum* on either side. It will be difficult, perhaps, to obtain this from Chili; but as the Chilian Government has distinctly repudiated the idea that this was a war of conquest, the Government of Peru may fairly claim the opportunity to make propositions of indemnity and guarantee before submitting to a cession of territory. As far as the influence of the United States will go in Chili, it will be exerted to induce the Chilian Government to consent that the question of the cession of territory should be the subject of negotiation and not the condition precedent upon which alone negotiation shall commence. If you can aid the Government of Peru in securing such a result, you will have rendered the service which seems most pressing. Whether it is in the power of the Peruvian Government to make any arrangements at home or abroad, singly or with the assistance of friendly powers, which will furnish the necessary indemnity or supply the required guarantee, you will be better able to advise me after you have reached your post.

As you are aware more than one proposition has been submitted to the consideration of this government looking to a friendly intervention by which Peru might be enabled to meet the conditions which would probably be imposed. Circumstances do not seem at present opportune for such action; but if, upon full knowledge of the condition of Peru, you can inform this government that Peru can devise and carry into practical effect a plan by which all the reasonable conditions of Chili can be met without sacrificing the integrity of Peruvian territory, the Government of the United States would be willing to offer its good offices towards the execution of such a project.

As a strictly confidential communication, I inclose you a copy of instructions sent this day to the United States minister at Santiago. You will thus be advised of the position which this government assumes toward all the parties to this deplorable conflict. It is the desire of the United States to act in a spirit of the sincerest friendship to the three republics, and to use its influence solely in the interest of an honorable and lasting peace.

I am, &c.,

JAMES G. BLAINE.

No. 340.

Mr. Christiancy to Mr. Blaine.

No. 310.] LEGATION OF THE UNITED STATES,
Lima, Peru, June 16, 1881. (Received July 6.)

SIR: In reply to your dispatch No. 143 I have the honor to say that

that dispatch places upon me the grave responsibility of determining as matters of fact three distinct propositions, upon none of which have I been able to obtain any very satisfactory evidence:

1st. Whether the provisional government of Señor Calderon is supported by the character and influence of Peru;

2d. Whether it is really endeavoring to restore constitutional government; and

3d. If so, whether it is with a view to order within and negotiation with Chili for peace.

The first question under present circumstances is a very difficult one to decide just now. If mere money or financial "influence" be referred to, this is to be found along the coast, which is completely controlled by the Chilians, and consists of the wealthy owners of sugar plantations and the mercantile class, who seek for peace at any price and upon any terms. But if "by influence" or the weight of influence upon political or government matters (which I conclude must be your meaning), then there is great room for doubt, and I am much inclined to think it may turn out to be against the provisional government. It is a very embarrassing question to decide.

Upon the other two questions I have no ground, except the professions of the provisional government, upon which to decide them; but I am inclined to believe they should be decided in the affirmative.

The first is the difficult question. The provisional government has not yet succeeded in getting the attendance of a quorum of congress, though it has a full quorum of the senate, but lacks twelve members of a quorum of the house.

At my request of yesterday the dean of the diplomatic corps has called a meeting of the corps for 2 o'clock to-day, to enable me to get their opinion upon these questions of fact, but this will be too late for the mail to-day.

I had a full conference two days since with Señor Calderon, and have a favorable opinion of him.

But I yesterday had a conference with Admiral Lynch, commander of the Chilian forces here, and with Señor Godoy, the representative of Chili in political matters here, and I found at once that they do not want the provisional government of Peru recognized yet, both saying to me that they had not recognized it on the part of Chili, and that they did not wish it recognized by other nations until they had recognized it. I also yesterday ascertained from a perfectly reliable source, that the Chilian representatives here have, within a few days past, approached at least one of the commissioners by Piérola to negotiate peace, to know if such commissioners were still authorized to act, holding out to them hopes that they would still negotiate with him. The position is full of complications, but upon the whole it would certainly seem to be the object of Chili at present to play off one of these Peruvian governments against the other; to give Chili a fair pretext to hold permanent occupation of Peru. It may be that in a few days I may obtain sufficient information to bring the case within the principle you have laid, and if so, I shall act at once. Since I, as well as you and all true Americans, prefer a constitutional government to a dictatorship.

I am, &c.,

I. P. CHRISTIANCY.

P. S.—This provisional government is not, even as such, a government *de facto* in any part of Peru, except in a little hamlet of Magdalena.—I. P. C.

No. 341.

Mr. Christiancy to Mr. Blaine.

Confidential.

No. 320.] LEGATION OF THE UNITED STATES,
Lima, Peru, June 21, 1881. (Received July 18.)

SIR: Referring to my dispatch No. 319, I have the honor to inform you of the result of the diplomatic meeting therein referred to. I found it to be the opinion of the corps, 1st, that the provisional government (so called) is supported by the weight of character and political influence of Peru; 2d, that the purpose of that government is to restore constitutional government in Peru; 3d, that it seeks to restore internal order; 4th, that it wishes to make peace with Chili; but, 5th, that this provisional government (so called) cannot, under present circumstances, be considered a government *de facto*, so as to warrant its recognition on that ground.

I am inclined to concur with the corps in all the above points, though I still have some doubts upon the first, and am not without some suspicions as to the second, third, and fourth.

This might seem, at first view, to bring the case within the principles of your dispatch No. 143, and to authorize (though it does not instruct) me to recognize what is called the Calderon or provisional government. But your dispatch, when carefully considered, may, and perhaps must, be construed as having been written with the understanding that the Calderon government was a government *de facto* of at least a large part of Peru.

The fact is that it is not a government *de facto*, or in the exercise of the functions of government anywhere, except so far as the Chilian authorities choose to allow it to exercise any powers of the kind, and these are confined within very narrow limits. It has been allowed to exercise thus far full powers only in the little hamlet of Magdalena, and has been allowed to send a few hundred men to Huaray and a still smaller force to the department of Junin to drive out the prefects who had been appointed by Piérola and to get the members of congress from those places to come here. It has also prefects friendly to it in most of the western slope of the Andes, except in the south.

But the courts of justice have not been restored anywhere, not even in Lima, and the whole country, except what is held by Piérola, is subject to such martial law as the Chilian authorities see fit to impose. In short, the Calderon government has thus far been used only as the instrument of Chili to carry out her own purposes, and there are not wanting many intelligent Peruvians and neutrals here who believe that it is the purpose of the Calderon government to aid Chili in keeping Peru permanently under the control of Chili as a permanent conquest.

It is well known here that many men of wealth among the Peruvians prefer that the Chilians should govern the country, as they think it would establish a more permanent government than Peru is likely to, and that their property would be more safe, but even those would prefer a protectorate of or annexation to the United States.

Señor F. Garcia Calderon is a wealthy man, and the representative of the Goyenechés, the wealthiest family in Peru. I am inclined, nevertheless, to believe that he is acting in good faith to Peru, with the hope

of establishing peace, but I do not feel certain of it. If he is acting in good faith, I am satisfied the Chilians are deceiving him.

Now, on looking carefully at your dispatch No. 143, I see clearly that one of your objects in recognizing the Calderon government is to bring about peace with Chili, which implies your desire for the continued national existence of Peru, and does not admit the idea of its permanent conquest by Chili.

But I am now fully satisfied that Chili does not intend to make peace with Peru at all unless driven to do so by outside pressure. For the grounds of this opinion I refer you to my last dispatch, No. 319, and wish now to say further, that on Sunday last (19th instant) Mr. Godoy, the political representative of Chili here, called upon me at the legation, and we had a free and general conversation upon the whole situation. I remarked to him (as I had before) that I had received instructions from my government under which I might feel authorized to recognize the Calderon government, which I had supposed and believed my government had supposed would be looked upon by Chili as rather friendly than hostile to Chili, inasmuch as the Calderon government had been encouraged by Chili. He again repeated that Chili had not yet recognized it. I said substantially that if the Calderon government should succeed in obtaining a quorum of congress it would be strong evidence that it represented the nation. To this he seemed to assent.

I further remarked, that while my government preserved its strict neutrality, it was anxious for peace between the belligerents at the earliest practicable period; and I thought this might be brought about if a quorum of congress should be obtained, or at least as soon as the government should be able to get back fully to a constitutional government. To this he replied, "It will be a very long time before a peace can be settled."

He did not know that I knew he and the Chilian authorities had been coquetting with the friends and commissioners of Piérola. But I could readily see, from this as well as the conversation referred to in my dispatch No. 319, that they did not wish any encouragement or prestige to be given to the Calderon government, except what they might choose to give; and I could not but infer they were playing off the Calderon government against that of Piérola, for the purpose of furnishing a plausible pretext for holding the whole of Peru, or so much of it as they could.

From this statement it will be readily seen that a literal compliance with the permission given in your dispatch to recognize the Calderon government, would be likely to violate its spirit and intent; and, before departing from the safe and generally approved rule of recognizing a new government, that it should appear to be a government *de facto*. I think I ought to wait, at least until the arrival of another mail (there having been no connection last week at the Isthmus), as in the mean time you will have received other dispatches from me which may enable you to give instructions more applicable to the present state of facts. I have thought it best to wait, at least till the arrival of the next mail, before acting, and as my successor, who will come with the latest instructions, may wish to have a clear field, I may wait till he arrives before making a final decision.

In coming to these conclusions I have done what I think you would have done, in view of all the circumstances, had you been in my place and acting under the like instructions.

No other foreign minister here is willing yet to recognize this Calderon government, and I think I see an anxiety on the part of some of

them to see the United States depart from the generally received doctrine of recognizing new governments only when they have become governments *de facto*.

Whatever support the "Calderon government" may appear to have, it is the settled and unanimous opinion of all intelligent men here, that it would not last a day after the Chilian forces should leave the country. And my own opinion is, that if the United States should recognize it to-day, the Chilian authorities would take good care that any prestige it might gain from such recognition should be more than counterbalanced by the more stringent limitations it would impose upon any exercise of governmental powers.

I have, &c.,

I. P. CHRISTIANCY.

No. 342.

Mr. Christiancy to Mr. Blaine.

No. 322.] LEGATION OF THE UNITED STATES,
Lima, Peru, June 28, 1881. (Received July 18.)

SIR: Referring to my dispatch No. 320, I have now the honor further to say that I have been carefully considering the question of the recognition of the provisional government therein referred to, and having received nothing by the last mail in any way modifying your dispatch No. 143, and knowing that I had kept you fully informed of all the facts necessary to a decision, and seeing that the question whether the Calderon government was a government *de facto* was not expressly made a condition, and that the fact of your having already received Mr. Elmore as the confidential agent of that government, which I take to be a clear indication that you would expect me to recognize that government if I found the facts you had stated as hypothetical to be true, but more especially hearing a rumor here as having come from the United States that my successor would not come here until peace was settled, and, therefore, fearing that my neglect to make the requisition might be construed as a design on my part to delay his coming, I finally concluded, on the 26th instant, to recognize the provisional government as such, and I here inclose copy of my letter to Mr. Galvez, Minister of Foreign Affairs, making the recognition.

I must confess that, if left to act entirely to my own judgment, I should not have recognized this provisional government until it should have become a government *de facto*, or until it should have succeeded in assembling a quorum of congress, nor until we could have seen whether this congress or that of Piérola (national assembly) at Ayacucho should represent the most of the people of Peru. But I claim no right to set up my own judgment against that of my government, believing strict obedience to the wishes of my government my first and sole duty.

In making the recognition, I have thought it best to place it on the precise grounds indicated by your instructions, believing that it would have a better effect in aiding this incipient government by a clear intimation that our government was more inclined to encourage constitutional than dictatorial government, and that they wished to aid in restoring peace between these belligerent republics.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure in No. 322.]

Mr. Christiancy to Mr. Galvez.

LEGATION OF THE UNITED STATES,
Lima, Peru, June 26, 1881.

MONSIEUR LE MINISTRE: My government, having been informed of the organization at Magdalena of what, in your circular note to me of April 30 last, is styled a provisional government under the presidency of Señor Doctor Don Francisco Garcia Calderon, has given me instructions, in substance, that if I find, 1st, that such provisional government is supported by the weight of character and influence of Peru; 2d, that it is endeavoring to restore constitutional government, with a view both to internal order and negotiations with Chili for peace, then I am to recognize it as a provisional government.

Believing, from the best evidence I can obtain, that each of these hypothetical propositions is sufficiently established in the affirmative, I therefore formally express such recognition on the part of the Government of the United States.

Please accept the assurance, &c.,

I. P. CHRISTIANCY.

No. 343.

Mr. Christiancy to Mr. Blaine.

No. 327.] LEGATION OF THE UNITED STATES,
Lima, Peru, July 6, 1881. (Received July 26.)

SIR: Referring to your dispatch No. 148, and to my dispatch No. 322, I have the honor to state that, as I had some reason to fear when I wrote the last dispatch, I have still more reason to fear now, that the recognition of the provisional government of Francisco Garcia Calderon was premature, I have now further to say that the forces of that government sent to the north have, some 58 to 68 of them (for the reports do not agree), gone over to Admiral Montero, a partisan of Piérola, and that those sent into the department of Junin have been effectually driven out by the friends of Piérola within the last few days, and their prospects for forming a government are not as good now as before; yet, in view of your dispatch No. 150, as well as your previous dispatches, it is very clear that you had determined upon the recognition of the provisional government, and that I only complied with your wish in making the recognition.

I fear, however, this recognition will lead to many complications. But I have obeyed what I was compelled to consider your orders.

I am, &c.,

I. P. CHRISTIANCY.

No. 344.

Mr. Christiancy to Mr. Blaine.

No. 330.] LEGATION OF THE UNITED STATES,
Lima, Peru, July 12, 1881. (Received August 2.)

SIR: I have the honor to inclose to you copy and translation of the circular letter of Mr. Galvez, secretary of foreign relations of Peru dated yesterday, stating the installation of Congress, and the law passed continuing Mr. Calderon as President until the people shall elect another, &c., of which I have acknowledged the receipt.

A quorum of Congress was obtained, but I think there is room for doubt whether the means adopted to get some of the members here were strictly regular.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure in No. 330.—Translation.]

Mr. Galvez to Mr. Christiancy.

CIRCULAR.

DEPARTMENT OF FOREIGN RELATIONS,
Magdalena, July 11, 1881.

SIR: I have the honor to bring to the knowledge of your excellency that the national Congress having been installed yesterday in the town of Chorillos, it has enacted a law by which the powers conferred by the people upon His Excellency Francisco Garcia Calderon as President of the republic, are confirmed and continued according to the political constitution of 1860, until some other citizen shall be elected by the people to replace him.

Craving your excellency to inform the Government of the United States of these facts, it is grateful to me to reiterate to your excellency the assurance of my high consideration.

M. M. GALVEZ.

Hon. I. P. CHRISTIANCY,
Envoy Extraordinary and Minister Plenipotentiary of the United States of America.

No. 345.

Mr. Hurlbut to Mr. Blaine.

MEMORANDUM.

At this city I have had opportunity to see the principal newspapers of the South American republics. A very strong and general sentiment appears in all of them against any dismemberment of Peru.

This feeling is naturally strongest in the Argentine Republic, whose relations with Chili are complicated; but it is expressed with much strength of argument by Colombia, Venezuela, and Ecuador.

All these articles refer to the agreement of 1810, in which without special definition of boundaries the doctrine of "*Uti possidetis*" was accepted as the basis.

Chili is charged with being the first to break up the harmony, and her pretensions are regarded as dangerous to the entire family on the continent.

There is no doubt that these articles reflect the feelings of the ruling classes.

Colombia has invited the other South American states to a congress at Panama, to establish among other things the rule that all disputes shall be determined by arbitration.

The Argentine Republic is now giving transit over its territory for arms and munitions and other supplies to La Paz, the capital of Bolivia, and thus to the forces of Piérola and Campero. As that republic has good reason to apprehend war with Chili, and is now anxiously waiting for an iron-clad from England, so as to meet the Chilian navy

on equal terms, it is good strategy for her to keep alive the war in Peru and Bolivia to occupy the Chilian forces, until they can be met on equal terms.

This purpose of the Argentines will have a tendency to prolong the war and to strengthen the party of Piérola, to the extent of causing serious embarrassment in negotiation for peace.

I am inclined to believe that the Chilians themselves are embarrassed by their present position, as it is not at all impossible that the Argentines may avail themselves of the first opportunity after they are prepared to declare war upon Chili.

The drift of public sentiment and the attitude of her nearest and most powerful neighbor are evidently producing some effect in Santiago.

It is lamentable that at this moment there should be a double government in Peru, one of which in the end will probably have to be suppressed by force. An effective union between Piérola and the government of La Paz, in the Trans-Andine departments of Peru and Bolivia, if supported even passively by the Argentine Government, can be so handled by a brave and energetic man as to be very annoying and very expensive to Chili.

The consul-general of Peru, at this place, Colonel Larranegra, is a very intense follower of Piérola, and denies the authority of the Calderon government; while the Peruvian minister resident to Central America, Thomas Lameo, now in this city, considers the Calderon government the only hope of peace and of return to constitutional government.

From the evident difference in character of the two men I consider it additional evidence of the fact as generally reported, that the better classes of Peru support the Calderon government, yet it is to be remembered that it is from the inferior classes of society in these countries that revolutions are recruited.

No. 346.

Mr. Blaine to Mr. Hurlbut.

No. 7.] DEPARTMENT OF STATE,
Washington, August 4, 1881.

SIR: As you are aware several communications have been recently addressed to this Department in reference to certain alleged claims of citizens of the United States upon the Government of Peru, with most urgent request for the good offices of the United States Government in their behalf. While I cannot anticipate that in the present distressed and unsettled condition of that country our representations, however urgent, will receive prompt or satisfactory attention, I deem it best, in view of possible contingencies, to furnish you with general instructions. The two claims for which special consideration and active intervention have been asked are those known as the Cochet claim and the Landreau claim. In reference to the Cochet claim there has been no information laid before the Department of a sufficiently definite character to warrant a specific instruction, and in the absence of the requisite data here you will be left to take such steps as may seem expedient on investigation the origin and character of the claim. The primal point at issue is whether any American citizen or association of citizens has acquired an interest in the claim in a manner entitling him or them to the good

offices of this government in making any representation to Peru. As the American holders of the claim or their attorneys will be on the ground, you will no doubt be placed in possession of all the facts, but you will take no step committing your government to the use of its good offices without first reporting in full to the Department for well considered and definite instruction. In regard to the Landreau claim, I see no reason to differ from the conclusion to which my predecessors seem to have arrived. John C. Landreau was an American citizen, apparently entitled under a lawful contract to reasonable compensation for important services to the Peruvian Government. In conformity with the established practice of our government, while you cannot in such case make an official demand for the settlement of this claim, you will employ your good offices to procure its prompt and just consideration. You will have observed that in the contract made by the Peruvian Government with Landreau and his brother it is expressly stipulated that any questions arising under its provisions should be submitted to the judicial tribunal of Peru, and that in no case shall diplomatic intervention be asked. You will also notice that the supreme court of Peru, sustaining a decision of the court below, has ruled that it had no jurisdiction of this contract, thus leaving Landreau in a position in which he can neither appeal to his own government nor obtain a judgment from the tribunals to which, by the contract, he was authorized to apply.

While this government will not, as at present informed, undertake to construe the contract or to decide upon the extent of the compensation due Landreau, you are instructed to call the attention of the Peruvian Government to this injustice, and say that the Government of the United States will expect some adequate and proper means to be provided by which Landreau can obtain a judicial decision upon his rights. If the constitution of the Peruvian courts or the interpretation of the law by Peruvian judges deprives Landreau of the justice which the contract itself guaranteed him, then, in the opinion of this government, Peru is bound in duty and in honor to do one of three things, viz: Supply an impartial tribunal, extend the jurisdiction of the present courts, or submit the case of Landreau to arbitration. I desire also to call your attention to the fact that in the anticipated treaty which is to adjust the relations of Chili and Peru, the latter may possibly be compelled to submit to the loss of territory. If the territory to be surrendered should include the guano deposits which were discovered by Landreau, and for the discovery of which Peru contracted to pay him a royalty upon the tonnage removed, then the Peruvian Government should in the treaty stipulate with Chili for the preservation and payment to Landreau of the amount due under his contract. If transfer be made to Chili it should be understood that this claim of an American citizen, if fairly adjudicated in his favor, shall be treated as a proper lien on the property to which it attaches, and that Chili accepts the cession with that condition annexed. As it may be presumed that you will be fully informed as to the progress of the negotiations between Chili and Peru for a treaty of peace, you will make such effort as you judiciously can to secure for Landreau a fair settlement of his claim. You will take special care to notify both the Chilian and Peruvian authorities of the character and status of the claim in order that no definitive treaty of peace shall be made in disregard of the rights which Landreau may be found to possess.

I am, &c.,

JAMES G. BLAINE.

No. 347.

Mr. Hurlbut to Mr. Blaine.

No. 2.] LEGATION OF THE UNITED STATES,
Lima, Peru, August 10, 1881. (Received September 2.)

SIR: I propose, in this dispatch, to lay before you the precise situation of affairs in this country, so far as I have been able to ascertain such situation, both military and political.

The military situation is perfectly simple. Peru is effectually conquered. She has no longer any army or navy; she has no soldiers, no ships of war, no fortresses, no guns in position or in the field, no munitions of war, no means of buying any, no revenue, no treasury.

War, as such, is finished, so far as she is concerned, and has been for six months.

The Chilians have captured or destroyed her navy, have occupied, and still hold her entire sea-coast, her capital city, and her custom-houses. They have occupied in force the territory of Tarapaca, with its nitrate beds, and they hold the guano deposits, and all the accessible and fertile valleys debouching on the sea. They collect the duties at all the ports, they sell the nitrates and guano, they levy heavy contributions on the cities, and on the planters in the country held by them. The duties at the custom-houses collected by them in June were $400,000 in silver.

In the interior there is some show of resistance, but infinitely more show than substance. Secure in the physical obstacles to the march of troops, small bands of irregulars travel over the slopes of the Andes, more dangerous to their countrymen than to the Chilians. Regular war is out of the question, and, for all practical purposes, armed resistance to the Chilian force has ceased.

In so far as regards the political situation of the country in its internal relations, I consider that the government of Garcia Calderon was properly recognized by my predecessor. It is not a regular or constitutional government, but it is infinitely more so than that of Piérola, which was a violent usurpation, autocratic and despotic. Around the Calderon government all the better class of men, the holders of property, the men of education, the friends of constitutional order and of peace, are disposed to assemble.

There has been, and is now in session a national Congress, representing in its number a very decided majority, and a full quorum of senators and representatives, long since legitimately elected under all constitutional forms.

This Congress has recognized Mr. Calderon, and re-elected him as Provisional President. Calderon and his cabinet are perfectly ready to give way, at any time, to any man of character, who can unite all elements in the nation, and who may be approved by the Congress.

To this end negotiations are now going on with Piérola and his adherents. It is hoped they may succeed, and that a single head of the republic may be recognized by all.

The element now represented by the Calderon government desires peace, and Congress has authorized the Provisional President to enter into negotiations for that purpose.

I now propose to state to you the difficulties and special hardships which surround the Calderon government in their honest attempt to procure fair conditions of peace.

In the first place, the Chilian authorities have never recognized this government in any clear and distinct form. It has, from the beginning, been tolerated, consented to, and in some particulars, aided, by the Chilian military authorities; a procedure on their part which may either be from a real desire to re-establish order in Peru, or more probably to foster a division in the nation, which would still farther diminish her capacity for resistance.

Pursuant to the resolution of Congress, Mr. Calderon named his plenipotentiaries to confer on terms of peace with Mr. Manuel Godoy, the Chilian commissioner. Mr. Godoy has so far declined to receive these plenipotentiaries, and the reason is evident. By reception and the exchange of credentials the government of Mr. Calderon would be effectually recognized as the authority in Peru. Godoy then proposed to confer directly with President Calderon, but insisted that the conferences should be of a private character. To this the Peruvians replied, that the making of peace was an affair of the highest public nature, with which they could only deal in their public character, and reiterated their request for exchange of credentials. Mr. Godoy has taken time to-day to refer the question by telegraph to Santiago.

It is the purpose of the Peruvians to insist on recognition, and to prolong the discussion as much as possible.

I gather from various sources, and with reasonable certainty, the actual purposes of Chili.

It appears to be the declared intention of the existing government in Chili to make the cession of the department of Mochequa up to the river Ilo, the *sine qua non* of peace.

To such cession it is simply impossible for any Peruvian Government to consent; *first*, because public indignation would overthrow any that should so consent; *second*, because the constitution of Peru expressly forbids the execution of any treaty which diminishes the territorial integrity or reduces the sovereignty of Peru; and *third*, because the possession of that territory by Peru is the only visible means of future support, and of payment of their large public debt.

Yet it is in the power of the Chilian military authorities to extinguish the Calderon government, and thus leave the country to anarchy; and I feel satisfied that if they cannot obtain from Calderon submission to such terms as they are likely to dictate, they will dissipate his government, unless it shall be sustained by some stronger power.

Mr. Calderon says to me, that he will not consent, in any event, to the division of Peruvian territory, and that he will endure any consequences. He also says, that he is prepared to pay any indemnity in reason, to twenty, thirty, or even forty millions of dollars, and inasmuch as the Chilian Government officially state that $30,000,000 is the limit of their war expenses, and that they have received large sums, the indemnity would seem to be abundant. I fear that Peru, *alone*, cannot hope for endurable terms of peace from Chili, yet although utterly beaten in the war, she ought still to be considered as a nation.

All South America, except Brazil, is opposed to the pretensions of Chili, and all, without exception, look to the United States as the sole hope for the future of Peru, and as the only power capable of checking this greed of conquest.

It is, in my deliberate and carefully considered judgment, the proper time for the United States to act as a friend to both parties, and to say very kindly, but very firmly, to Chili, that war has fulfilled all its legitimate purposes; that longer continuance of the state of war would be disastrous to both countries, and an unnecessary invasion of the

rights of neutrals, engaged in commerce or owning as they do large properties in Peru; and that a peace honorable to both countries should be concluded as soon as possible, on fair terms as to indemnity. It will be remembered that Chili in the Arica conferences denied any purpose of acquiring territory by conquest, and placed her demand for cession of territory solely upon the ground that Bolivia and Peru had not the means to pay a money indemnity.

Inasmuch as Peru offers to pay and can pay a money indemnity, the forcible annexation of territory ought not to be permitted. By such action on the part of our government we would gain the highest influence in South America, we should subserve the purposes of a truer civilization, and inaugurate a higher style of national and international law on this continent.

In whatever form this may be done, if done at all, it ought to be done very speedily, and as a very serious emergency may arise at any time, I should be happy to receive from the Department by telegraph, some indication of approval or disapproval of my views.

As I am at present advised, after careful consideration of the instructions given to myself and Mr. Kilpatrick, and the personal conferences held with you, I shall not interfere with Mr. Godoy or his negotiations unless it shall be apparent that the purpose is to crush out the national life of Peru. In that case I shall calmly and strongly protest against such a course, and indicate in distinct terms that such action does not at all conform to the wishes of the United States, and meets with its disapproval. This, however, only in case the emergency shall arise before I hear from the Department.

I am well aware that the proper channel of communication is at Santiago, but inasmuch as the peace conferences have been undertaken here, I should desire full instructions.

The condition is very serious, and demands prompt action if it be the purpose of the United States to save Peru from being obliterated as an independent power.

You may be assured that I shall not precipitate matters, but shall endeavor in all ways to have the preliminary negotiations prolonged, that you may have full time for consideration and for transmission of instructions both to Lima and Santiago. I inclose copy of a confidential letter to General Kilpatrick, and close by repeating that no such opportunity for the just extension of American influence in the interest of humanity has been presented to my knowledge, and that the failure to use it would, in my judgment, relegate the whole of South America over to European influences, which are openly or covertly hostile to the United States, at all events so far as their representatives on this coast are concerned.

The English steamer leaves Panama every Wednesday, and a telegram to that point would reach me in nine days after its delivery.

I have, &c.,

S. A. HURLBUT.

[Inclosure in No. 2.]

Mr. Hurlbut to General Kilpatrick.

LEGATION OF THE UNITED STATES,
Lima, Peru, August 5, 1881.

MY DEAR SIR: I have assumed charge of this legation on the 3d instant, relieving Mr. Christiancy. I have seen enough of the situation here to assure me that the

hope of a permanent and honorable peace is not likely to be realized unless the conquerors exercise far more moderation in their demands than now appears probable. No government under any form can stand in Peru, which would consent to the cession of territory. It is understood that the Chilian authorities will demand a cession which shall include the whole or a large part of the department of Mochequa, and all to the south of that. As such cession would include the most productive part of the Peruvian territory, on which the debt of the republic is largely secured, it is evident that nothing but the last extremity would justify such surrender.

You are undoubtedly aware of the wishes of our government in the matter. These wishes I understand to be, 1st. That peace on fair and honorable terms should be arranged as speedily as possible. 2d. That the integrity of the Peruvian territory should be maintained. 3d. That full, fair, and reasonable indemnity ought to be made to Chili for the expenses of the war.

The United States are not disposed to recognize on this continent the European notion of addition to territory by conquest, and as we are becoming day by day more interested in the commerce of the Pacific, it becomes daily of more importance to us that peace should prevail.

Now it appears to me that a peace dictated in humiliating terms by a conqueror, or extorted under pressure of superior force, necessarily brings with it the seeds of perpetual war, and that it would be the most unfortunate thing for the future prosperity of Chili. If that nation proposes to pursue the path of conquest and to depend upon military strength for her future greatness, she will array against herself the public sentiment, not only of America, but of the civilized world. Her highest interest, it seems to me, is to conclude her successful campaign by such terms of peace as may leave Peru an independent nation, and without any other humiliation than that which necessarily comes from defeat in arms. I am perfectly sure that terms of money indemnity can be arranged. I am equally sure that to demand, as condition of peace, the surrender of the south, will be equivalent to denial of peace at all, for the reason given, that no government which concedes this can live. The result will be disorganization in Peru, the formation of guerrilla bands, the destruction of vast amounts of property, and a heavy burden and continual drain upon the resources of Chili, both in money and in men. At present we recognize the government of Garcia Calderon, to bridge over the present chasm. He has in session a very decided majority of the lawfully elected members of Congress. Congress has authorized him to treat with Señor Godoy on terms of peace. I am afraid that that astute diplomat intends to play fast and loose. As yet he has not recognized Calderon officially, nor has he consented to exchange credentials and powers with his plenipotentiaries. This of course would be complete recognition, which undoubtedly should precede any conference on matters of substance.

In other words, I think he intends to recognize only in the event of obtaining his own terms, and if he fail in this, to say "you represent nobody, are not a government, and we decline to confer farther with you."

My own opinion is, that it is full time for the United States to take a very decided part in the affairs of South America, and I shall communicate all the facts of the situation to the Secretary of State. * * * *

Your friend and colleague,

S. A. HURLBUT.

No. 348.

Mr. Hurlbut to Mr. Blaine.

No. 5.] LEGATION OF THE UNITED STATES,
Lima, Peru, August 17, 1881. (Received September 17.)

SIR: On Sunday last Señor Godoy, Chilian commissioner, had an extended conference with Provisional President Calderon, in which he insisted that the peace conferences should be conducted between himself and Calderon in his private capacity, and if the results were satisfactory then the formal treaty should be executed by plenipotentiaries already named by Calderon.

This proposition was firmly refused by Calderon, who insisted on his part that he must be recognized either tacitly by recognition of his plenipotentiaries or openly in an official communication.

The conference was then adjourned until to-day (Wednesday).

of formal expression of my views, as otherwise it would have appeared intrusive, and perhaps impertinent, to have offered such a statement.

I am confident that you will approve the substance of the memorandum, and I would like General Kilpatrick to be instructed to express similar views in case of opportunity given.

Mr. Christiancy was in the questionable habit of calling together the diplomatic corps and taking counsel on almost all questions, which practically emasculated the United States and deprived them of their proper leadership. The English and French ministers seem somewhat aggrieved, or pretend to be, at action of any kind by me without concurrence, but, as I stated to one of them, the position of the United States is its own, and only to be determined by itself.

I have, &c.,

S. A. HURLBUT.

[Inclosure in No. 8.]

Mr. Hurlbut to Admiral Lynch.

LIMA, *August* 25, 1881.

ADMIRAL: In order to prevent any misconstruction as to the conversation I had with you on yesterday as to the condition of affairs between Peru and Chili, I have thought it best to reduce the statement to writing.

MEMORANDUM.

Without any reference to the causes of the war, I understand my government to be of the opinion that all legitimate purposes of war have been accomplished by the overwhelming defeat of the Peruvian armies, the capture or destruction of their navy, and the occupation of the capital and entire sea-coast.

When organized and respectable resistance has ceased the state of war ought to cease. That commerce and the rights of neutrals have been sufficiently injured; and that the large interests in Peru which are held by foreigners, many of them Americans, should not longer be imperiled by the unnecessary prolongation of the state of war.

For these reasons, and because of the friendly feeling of the United States to both parties, we are of the opinion that peace is the first duty of both nations.

I wish to state further, that while the United States recognize all the rights which a conqueror gains under the laws of civilized war, they do not approve of war for the purpose of territorial aggrandizement, nor of the violent dismemberment of a nation, except as a last resort and in extreme emergencies. As there never has been any question of boundaries between Peru and Chili, and therefore no frontiers to regulate, and as Chili has repeatedly, publicly, and officially disclaimed any purpose or design of forcible annexation of territory, we are clearly of opinion that such action now would not comport with the dignity and public faith of Chili, and would be disastrous to the future tranquillity of both countries by establishing a very serious grievance, which would constantly tend to manifest itself in disturbances.

The United States concede, as a matter of public law, that Chili has the right (under the code of war) to full indemnity for the expenses of the war; and that Peru ought to pay such indemnity as may be agreed on by the parties, or be determined by a disinterested arbiter, in case they cannot agree (if such mode be selected); and further, that Chili has the right to demand securities, if time is given for the payment.

But we are also very clearly of the opinion that Peru ought to have the opportunity, in full and free discussion of the terms of peace, to offer such indemnity as may be satisfactory; and that it is contrary to the rules which should prevail among enlightened nations to proceed at once, and as a *sine qud non* of peace, to transfer territory, undoubtedly Peruvian, to the jurisdiction of Chili, without first demonstrating the inability or unwillingness of Peru to furnish indemnity in some other form.

Such a course on the part of Chili would meet with decided disfavor on the part of the United States.

It ought to be borne constantly in mind that Chili has won military reputation, and can afford to deal not only justly, but liberally. Peru has lost military reputation, and cannot afford much further humiliation, and that it is never wise to drive even a con

quered people into desperation. Chili has acquired her high place among the nations by the benefits of a settled government; by due enforcement of the laws; by the labor and industry of her people; in short, by the arts of peace. To this she has added, in this war, splendid triumphs by land and sea. The United States would deeply regret if she should change her course and be carried away on a career of conquest, because the military and aggressive spirit would interfere with her true progress, excite dangerous animosities, and combine many elements against her. We are, therefore, of the opinion that the act of seizure of Peruvian territory and annexing the same to Chili, whether done by mere superior force or by dictating the same as an imperative condition of the cessation of hostilities, in manifest contradiction of previous disclaimers of such purpose by Chili, would justly be regarded, by other nations, as evidence that Chili had entered upon the path of aggression and conquest for the purpose of territorial aggrandizement. The United States desire, above all things, that peace should continue among the South American republics, and that commerce and industry should combine to develop their wonderful resources to their own advantage, and for the benefit of the world, and we are unable to see any good reason why the state of war should much longer continue, to the serious prejudice of such vast interests, nor any good reason why peace, on terms of justice, should not be consummated at an early period, without unnecessary humiliation to one party and with full satisfaction of all the appropriate demands of the other.

S. A. HURLBUT.

No. 351.

Mr. Blaine to Mr. Elmore.

DEPARTMENT OF STATE,
Washington, August 27, 1881.

SIR: I have had the honor to receive from your hands the letter whereby his excellency the minister of foreign relations of Peru acquaints me with your selection by the President of that republic as its minister resident accredited to this government.

The critical condition of the President of the United States at the present time forbids any immediate arrangement for the formal presentation of your credentials, but it will afford me, in the name of this government, great pleasure to enter forthwith into full diplomatic relations with you pending the observance of that formality. To this end I beg that you will kindly transmit to me now the office copy of the letter of credence which you bear from the President of Peru, leaving to a later day the presentation of the original to the President.

Agreeably to your verbal request, I have the pleasure to send you herewith a copy of the note of Señor Galvez, which you handed to me in our recent interview on the 26th instant.

Accept, sir, &c.,

JAMES G. BLAINE.

No. 352.

Mr. Elmore to Mr. Blaine.

[Translation.]

LEGATION OF PERU,
Washington, August 29, 1881. (Received August 30.)

SIR: I have had the honor to receive your excellency's esteemed letter of 27th instant, in which, referring to the communication addressed

to your excellency by the minister of foreign relations of Peru, under date of June 15, 1881, and which I had the pleasure to place in your hands on the 26th of the present month, announcing to your excellency the recall of my predecessor, the chargé d'affaires Señor Ignacio García, and my appointment as minister resident of Peru to the Government of the United States. Your excellency is so good as to inform me that the critical condition of his excellency the President of the United States at the present time forbids any immediate arrangement for the formal presentation of my credentials; but that it will be agreeable to your excellency, in the name of your government, to enter forthwith into full diplomatic relations with me pending the observance of that formality. To this end you ask me to transmit to you now the office copy of my letter of credence from the President of Peru, leaving to a later date the presentation of the original to his excellency the President of the United States.

I beg to offer to your excellency, Mr. Secretary, my sincere thanks for this proof of the friendly disposition of your excellency's government, and I herewith have the pleasure to inclose the office copy and a translation of my letter of credence.

I also thank your excellency for the copy of the note of Señor Galvez, which you kindly sent me.

While continuing my most earnest prayers for the recovery of his excellency President Garfield, I have the honor to renew to your excellency the assurances of my highest and most distinguished consideration.

J. F. ELMORE.

[Inclosure in Mr. Elmore's note of August 29, 1881.—Translation.]

President of Peru to President of the United States.

Francisco Garcia Calderon, Provisional President of the Republic of Peru.

To His Excellency the President of the United States of America:

SIR: My most earnest and constant desire being to cultivate and draw closer the relations of friendship and good harmony which happily exist and are kept up unchangeable between Peru and the United States of America, I hasten to inform your excellency that I have chosen Dr. Don Juan Federico Elmore with the object that he may reside in the United States as the minister resident of Peru.

The intimate knowledge I have of the qualities which distinguished Dr. Don Juan Federico Elmore, and of his zeal for the public service, fully satisfies me as to the manner in which he will fulfill the high duties intrusted to him.

I hope that the person of this minister will be agreeable to your excellency, and that you will please honor him with a kind reception, giving full faith and credit to whatever he may say in the name of Peru, and more especially when expressing to your excellency my desire to maintain the good and friendly relations and the cordial intelligence existing with the Republic of the United States, for whose prosperity and that of your excellency I offer my most sincere wishes.

I beg your excellency to accept the expression of my highest consideration.

Written, signed, sealed, and countersigned by the minister of state in the department of foreign relations, at Magdalena, Lima, on the 14th day of the month of June, in the year 1881.

[L. S.] F. GARCIA CALDERON.

El ministro de relaciones exteriores.

M. M. GALVEZ.

No. 353.

Mr. Blaine to Mr. Elmore.

DEPARTMENT OF STATE,
Washington, August 31, 1881.

SIR: I have the honor to acknowledge the receipt of your note of the 29th instant, and of the office copy of the letter accrediting you as minister resident of Peru in Washington, which accompanied the same.

In accordance with the signification of my note of the 27th instant, the Department takes much pleasure in welcoming you as the diplomatic representative of Peru in the United States, and I trust before long to arrange the ceremony of your presentation to the President.

Accept, sir, &c.,

JAMES G. BLAINE.

No. 354.

Mr. Hurlbut to Mr. Blaine.

No. 11.] LEGATION OF THE UNITED STATES,
Lima, Peru, September 13, 1881. (Received ———.)

SIR: Negotiations are in progress between the Calderon government and the military chiefs of the north and center, Montero and Cacères, looking to a recognition of that government by these parties. I am inclined to think they will be successful; and in that case the Piérola faction will lose two-thirds of its strength and the whole of its prestige.

I have been very freely consulted in the matter by the agents of both parties, and have no doubt that the attitude assumed by me, as representative of the United States, in urging union, has had a very important effect.

Piérola seems to have lost his head completely, and has issued decrees of a nature so utterly inhuman as to alienate from him many elements of strength. He has issued orders to all his prefects to arrest and try by summary court-martial all persons who acknowledge, aid, or support the Calderon government, and if found guilty to shoot him at once. He has also imposed very heavy contributions on the property of all such persons within his lines, and orders his subordinates, in case payment shall not be made in eight days, to sell or to destroy such property.

These decrees are published in his official paper in Ayacucho, and are in my possession.

On the 10th day of September instant I received a letter from Señor García y García, secretary for Piérola, directed to me as minister, intended evidently to convince me that Piérola was in reality the choice of Peru.

Knowing, as Mr. Garcia did, that the United States had already recognized the Calderon government, it was a singular procedure, and almost an impertinence.

I took occasion to answer him at some length, and inclose a translation of his letter, and a copy of my reply.

I communicated to Calderon the letter of García and my answer, because I considered it a matter of good faith to do so, and I imagine he will use the documents in his correspondence with Montero and Cacères.

Nothing further will be known, as I suppose, of the intentions of Chili until after the 18th, when the Santa Maria government will commence.

Opinions are divided in Chili whether to withdraw their forces to Tarapaca, or to continue an indefinitely prolonged occupation of Peru. The latter, in my judgment, ought not to be permitted. Commercial and local interests, in which our people are largely interested, are perishing day by day in this abnormal state of affairs, and a stop ought to be put to it. I have in previous dispatches given my views very fully and only await an answer from the Department.

We are masters of the situation, if we choose so to be.

I am, sir, &c.,

S. A. HURLBUT.

[Inclosure 1 in No. 11.—Translation.]

Señor García to Mr. Hurlbut.

GENERAL DEPARTMENT OF STATE,
Ayacucho, August 23, 1881.

SIR: The presence in Peru of an envoy of the great American Republic is always the cause of lively pleasure to my fellow-citizens, whose sentiments of regard and admiration for that model nation are the natural result of deep-seated sympathies.

The national government, as the representative of such spontaneous and delicate feelings, fulfills its official duty, very agreeably in its nature at the present time, in congratulating your excellency on your safe arrival on the soil of our country.

Unfortunately the first views you have obtained have not shown to you those evidences of progress or of tranquillity which the weary traveler on his arrival to the hospitable shores of Peru could once contemplate with pleasure.

The foreign war, to which we were challenged without notice, has spread ruin and desolation wherever the enemy has planted his feet, and, as if such calamities were not themselves sufficient, a petty faction of unpatriotic Peruvians perpetuate these miseries, making of themselves in the village of Magdalena the docile instruments of the invader, although they are separated from all the country, in order to maintain this appearance of anarchy.

This truth, which your excellency will have discovered by your own examination of matters passing every day, must have formed in your mind the persuasion that there is no longer any perplexity in determining which is the "executive power" in Peru.

Guided undoubtedly by this foresight your excellency, in that republican and thoroughly practical spirit which characterizes your countrymen, said "the mission reserved for the sons of Peru is to give or refuse their powerful support, as the basis of that popular force, without which no government can long exist," and afterward, "notwithstanding the people of Peru are the only sovereign judges in this matter."

Now, then, this sovereign judge in Peru, whose right your excellency declares and recognizes, does not obey or support in the twenty departments of Peru which compose the republic (excepting only the cities on the coast occupied by the Chilian forces) any other government than that of His Excellency the President Señor Colonel Nicolás de Piérola, constitutionally proclaimed as such by the national assembly now in actual session, which representative body was created by election as free as ever took place in any nation.

The nature of this communication compels me to omit all commentary. I have only desired to present facts, and as these are themselves convincing in their nature, I ask that you will give them the attention which they deserve.

These facts, also, will be the subject of study on the part of the Secretary of State of the United States, to whose impartial and careful judgment they will have been submitted by the plenipotentiary in Washington of our ally, the Republic of Bolivia, in the absence of the chargé d' affaires, accredited by us in that capital.

The moral support which the factionists of Magdalena have sought to obtain by cultivating official relations with your excellency, compels me, in the love of peace, to direct to you this letter, which otherwise would seem contrary to diplomatic usages and to the ordinary practice.

I avail, &c.,

AURELIO GA. Y GARCÍA.

To His Excellency General STEPHEN A. HURLBUT,
Envoy Extraordinary and Minister Plenipotentiary of the United States of America in Peru.

[Inclosure 2 in No. 11.]

Mr. Hurlbut to Señor García.

LEGATION OF THE UNITED STATES,
Lima, Peru, September 12, 1881.

SIR: I have the honor to acknowledge the receipt of your communication of date of August 23, 1881.

In reply, permit me to say that it would not be proper for me to enter into any discussion as to the internal affairs of Peru unless in answer to some invitation to do so.

Inasmuch as you have, by your letter, opened the way, I propose to give you my opinion very frankly, yet with all possible kindness.

Peru is supposed to be a republic under a constitution, which ought to be the supreme law.

The seizure of supreme power by Señor Piérola and his assumption of an office not known to the constitution were revolutionary acts, and destructive of proper reverence for law.

The violent and forcible manner in which this revolution was accomplished gave to the undertaking the nature of a crime against liberty.

The dictatorial office was a simple tyranny, autocratic and despotic in its plans, in its titles, and in its acts. During its existence, the constitution of Peru was destroyed, and the mere will of one man was substituted for the laws and the constitution.

The people of Peru, suffering under a war of invasion, submitted to this autocracy because they believed it would lead them to victory. Foreign nations recognized it as a government *de facto*, but did not approve its creation nor its methods. Instead of victory, the dictatorship led to fatal defeats, and the dictator fled from the capital.

The people of Peru have had no opportunity, since that time, to have any free and fair expression of their wishes and their preferences.

The "national assembly" had no right, under the constitution, to exist, and its decrees have no more legal value than the expressed opinion of any equal number of private citizens. Their confirmation, therefore, of the vast and autocratic powers of the late dictator, under his new title of president, gives no greater validity, in law, to his authority or his pretensions.

It is with very great regret that I am compelled to say to you, that the recent decrees issued at Ayacucho, as to the persons and property of those who do not recognize Señor Piérola, are inhuman and barbarous, and of themselves stamp the government that uses such means, as being beyond the pale of law. Such violent edicts are to my mind conclusive proofs that the government with which you are connected depends solely upon force and not on public sentiment.

A strong government, secure in the affections of its people, would never have recourse to such means of cruelty and destruction.

Such measures compel all civilized governments to look with disfavor upon the authority which make use of them.

So much I feel it my duty to say to you as to the government presided over by Señor Piérola.

The government presided over by Señor Calderon does not assume to possess perfect regularity. It is "provisional," that is to say, a temporary means of carrying on the functions of government, until the nation can act freely and fairly. It is supported by the national Congress, a body known to the constitution, and is an effort toward the re-establishment in this country of regular and constitutional government.

You are mistaken when you state that they are in sympathy with the Chilians. They are not. They want peace, as the whole country wants it, but they will not sacrifice the national honor nor cede the national territory to obtain it.

The Chilian authorities are in communication with both parties in Peru, and you yourself have written to Admiral Lynch. Chili wants and demands the territory of Tarapacá, and will recognize any one who will cede it. The Calderon cabinet will not; it remains to be seen whether the Piérola cabinet will. Meanwhile, under the system inaugurated at Ayacucho and carried out by the prefects, Peruvians are to-day worse enemies of Peruvians than the Chilians can be, and the efforts of the friends of Peru are paralyzed by your intestine dissensions.

When the United States ask of Chili why peace cannot be made, the answer is, that there is no government in Peru to make peace with. Is it not better to make an end to this state of things, and for all true sons of Peru to unite on some head of the nation, to whom all parties and all factions should yield for the purpose of saving the country from hopeless ruin, of restoring peace, and the orderly and quiet reign of the constitution and the laws?

I have, &c.,

S. A. HURLBUT.

To Señor AURELIO GARCÍA Y GARCÍA, *Ayacucho*.

No. 355.

Mr. Hurlbut to Mr. Blaine.

No. 12.] LEGATION OF THE UNITED STATES,
Lima, Peru, September 14, 1881. (Received ——— —, ——.)

SIR: I acknowledge the receipt of your dispatch No. 7, date August 4, 1881, in relation to certain alleged claims upon the Government of Peru. As to the Cochet claim, this legation has nothing but vague and sweeping statements, better adapted to creating a commercial enterprise than to any judicial or quasi-judicial action. I have been favored with two very extraordinary letters and some printed matter, emanating from Mr. J. R. Shipherd, to which I reply by this mail, asking specific statements as to the origin, character, and extent of the claim and the proofs in support of it. In the Landreau case the proofs are sufficient, and the condition in which the Peruvian Government has left the complainant forms a just ground for a decided appeal to their sense of justice. I shall follow the direction in your dispatch and interpose on behalf of this and all other American claims if any negotiation takes place between Peru and Chili which involves the loss of territory. I shall take special care that this claim and the attitude of the United States in respect to it be officially made known to the proper authorities of both governments. I beg leave to call your special attention to the extracts (given as inclosure to this) from a letter of Mr. J. R. Shipherd to me, dated 19th August, 1881. I need not say that if any such arrangement was in fact made that it would seem proper that I should be officially informed of it. As yet I have not received from the Department any telegram whatever, nor any instructions, except in your No. 7, which certainly do not touch the very strong points reported to me by Mr. Shipherd. As at present advised I have no faith whatsoever in the "Peruvian Company," not much in Mr. J. R. Shipherd, and am wholly in the dark as to the honesty or value and extent of the Cochet claim. If half of his statement is true, and the United States assumes charge of the claim, we should own Peru by a mortgage which can never be paid.

I am, &c.,

S. A. HURLBUT.

[Inclosure in No. 12.—Extract from letter of J. R. Shipherd to S. A. Hurlbut, date 19 August, 1881 professing to give report of an interview with Secretary Blaine.]

But this is not quite all. It is notorious that Chili, Peru, and certain creditors of Peru are at the very point to apportion among themselves, not only the guano, which is *absolutely our property*, but the only other available asset of Peru—the nitrates—also. If such appropriation were allowed, irreparable mischief might result. I therefore ask a preliminary injunction forbiding all progress in the direction of any such apportionment until the Landreau claim and the Cochet title are first properly recognized and provided for, the former paid as *res adjudicata*, the latter allowed or firmly disproved.

The secretary instantly responded: "That you will get, and I will make it my first business." On the 2d instant, very soon after, by direction of the secretary, I was advised that the identical instructions suggested had been that day sent you, both by cable and by post, and that I might rely upon the *statu quo* accordingly.

No. 356.

Mr. Hurlbut to Mr. Blaine.

SEPTEMBER 14, 1881. (Received October 4.)

SIR: After I had closed and sealed up my official mail I received from Mr. Quimper the inclosed letter and two copies of his History of Events, to be forwarded to you. Mr. Quimper is one of the strongest intellects and best-known men in Peru, and you may rely upon his statements. I have not time to translate his letter, but Mr. Elmore will do it for you.

I have read it hastily, and concur with him in his statement.

I can hardly expect you to read his pamphlet, although it is worth reading.

In great haste,

S. A. HURLBUT.

[Inclosure in Mr. Hurlburt's letter of September 14, 1881.—Translation.]

Mr. Quimper to Mr. Blaine.

LIMA, *September* 14, 1881.

ESTEEMED SIR: Although I have no special claim upon your attention, the fact of my being an American and a citizen of Peru induces me to take up my pen in order to describe the present condition of affairs in Peru, and I trust that you will kindly read what I have to say.

General Hurlbut's arrival at Lima, with instructions from the American Government, to endeavor by every means in its power, to effect the conclusion of an honorable peace between Chili and Peru, has led the nation to hope for a speedy and safe termination of the present unfortunate and anomalous state of things.

I do not propose to make any inquiries as to the policy which the enlightened government of the union proposes to pursue. I simply propose to lay before you a sketch of the present situation of affairs in Peru, together with a brief statement of the causes which have led to that situation.

Before the war Chili had no claim whatever upon Peru, inasmuch as the two countries did not border upon each other,* and as Peru had given no cause of complaint to Chili. As long ago as 1872 Peru made a treaty of alliance with Bolivia, but it never took effect, although several of the cases therein provided for arose. In the mean time an unimportant question between Chili and Bolivia led the former to occupy the Bolivian territory of Antofagasta. Peru then appeared as a mediator. She did so with perfect propriety at that time, since the treaty had become inoperative and the *casus fœderis* had not yet been declared.

The Peruvian minister at Santiago was busy with the subject of the mediation when Chili suddenly declared war against Peru.

This declaration of war was made at a time when our minister to Bolivia had, in pursuance of instructions from the Government of Peru, induced that nation to repeal the "ten-cent law," which was the cause of the war between Chili and Bolivia.

Peru, being completely defenseless, was taken entirely by surprise, and was obliged to put forth her utmost efforts to avoid being crushed at once. Her navy was in a wretched condition and greatly inferior to that of Chili, but was put on a war-footing at once. Her army, which consisted of but 3,000 wretchedly armed men, was sent to protect the southern frontier.

The history of this war and the true cause of our disasters are given in the statement which I have prepared, and which I inclose herewith, begging you to read it, or to have it read by some person in whom you have confidence. You will thereby become convinced that the victories of Chili were easily won without earning any real glory for the Chilian arms.

Chili entered the contest fully prepared, while Peru was taken wholly at a disadvantage, and was consequently obliged to succumb.

The internal situation of Peru is as follows: The constitutional Government of Peru

* Correct, although otherwise represented on many maps.

was preparing to collect war material for the purpose of conquering Chili, when Col. Nicolas Piérola, of the National Guard, formerly a conspirator, got up his revolution of December 21, 1879, whereby he destroyed all the institutions of the country and proclaimed himself dictator. The army initiated the movement, and was seconded by the people, who believed in the promise of victory which Piérola made, provided he were only invested with discretionary powers.

Sad is the history of that administration of one year, during which the so called dictator plunged the country into disaster of every kind, thus facilitating the definitive triumph of Chili at Chorillos and Miraflores.

The dictatorship, which was proclaimed *de facto* on the 21st of December, 1879, succumbed *de facto* on the 15th of January, 1881.

Piérola then became a fugitive in the interior of Peru, not having saved a single weapon during the disasters of January, although he might have done so, and the Chilian authorities in this capital, after they had occupied it, declared their unalterable determination to make no treaty of peace with him, though they expressed their readiness to do so with the constitutional government, which they considered the legitimate representative of the country.

In order, therefore, to secure peace, which was earnestly desired by the entire people of Peru, a provincial constitutional government was organized at Lima, with Mr. Garcia Calderon as President, who immediately convened the lawful Congress, that it might adopt suitable measures.

Congress met, and after ratifying the powers of Mr. Garcia Calderon, authorized him to conclude a peace with Chili.

In the mean time events have occurred in Peru, both in connection with its internal affairs and its relations with Chili, which have given an irregular aspect to the present situation.

The departments of Lima, Callao, Huanaco, Junin, Liberotad, Anacachs, Lambayeque, Amazonas, and many provinces belonging to others, have spontaneously recognized the government of Garcia Calderon, their principal citizens signing a declaration to that effect. Piérola's authorities, however, and the scanty forces still under his command, have brought the greater part of the aforesaid departments once more under the control of the dictator. The consequence is, that Mr. Garcia Calderon's provincial government exercises its authorities in but few of them.

This fact is not difficult of explanation. The warlike attitude that is still maintained by Peru towards Chili and the conduct of the Chilian army of occupation tend to sustain the bogus government of Piérola.

Yet it is absolutely *certain* that as soon as Chili shall have concluded an honorable treaty of peace with Mr. Garcia Calderon, all of Piérola's officers, together with the men under their commands, will recognize such treaty and the constitutional government.

The conduct of the Chilian authorities may be explained as follows:

The Chilians consented at Lima to the formation of the provisional government, because that course coincided with the determination which they had announced not to treat with Piérola. As soon, however, as they became convinced that the provisional government refused to admit that they had conquered Peru they began to oppose it openly, and to encourage Piérola, with a view to keeping Peru in a state of anarchy, so that they might be able to occupy the Peruvian coast indefinitely, availing themselves meanwhile of the country's resources, on the pretext that there was no actual government with which they could treat.

The Chilian authorities have always pursued a course calculated to prolong a state of anarchy in Peru. When they thought that Piérola's power was increasing they sent an expedition against him, and when they thought that the same was the case with the government of Mr. Garcia Calderon they did everything in their power to bring it into discredit and to increase the importance of Piérola.

Negotiations have recently been set on foot between Mr. Garcia Calderon and Mr. Godoy, the Chilian plenipotentiary, the object of which is the explicit recognition of the provisional government by Chili.

Nevertheless, Mr. Godoy has said that if the provisional government wished to be expressly recognized it must first settle the terms of peace with him.

There have been four conferences between the Chilian plenipotentiary and Mr. Garcia Calderon, and while the former was still saying that he was willing to continue them, he suddenly, without having given any warning, left for Chili.

This fact is explained, and, I think, correctly, by the knowledge which it is supposed that Mr. Godoy had of the mission intrusted to General Hurlbut. He went to Chili, he said, for the purpose of getting precise instructions for all cases that might arise.

The fact is, that when Mr. Godoy took his departure he left the negotiations suspended, and all prospects of peace at a standstill.

Such is the present condition of things. We shall be in a state of suspense until the return of the Chilian plenipotentiary.

Chili says that there is no government in Peru with which she can treat.

This is not true. The government of Mr. Garcia Calderon is one which fulfills all conditions of legitimacy, and its acts, so far as the conclusion of a peace is concerned, would be immediately accepted by the entire republic.

If it is not recognized by the considerable armed forces which apparently obey Piérola, this is because the proper time for such recognition has not yet arrived.

And it is not well that such recognition should take place, for if it should, the Chilian army would treat those forces as it has just done those of Magdalena, viz, disarm and disperse them; and since it would then consider the government of Mr. Garcia Calderon as a war government it would not be in the power of the latter to continue negotiations.

Given, then, the conditions of life now possessed by Mr. Garcia Calderon's government, it cannot and ought not to increase in power. It should make peace while in its present condition, and such a peace, as I have already remarked, would be accepted by the whole nation.

Peru will be mainly indebted for this great benefit, in any event, to the people and the enlightened government of the United States.

Accept, sir, the assurances of the regard of your faithful and obedient servant,

J. M. QUIMPER.

No. 357.

Mr. Hurlbut to Mr. Blaine.

No. 14.] LEGATION OF THE UNITED STATES,
Lima, Peru, September 21, 1881. (Received October 17.)

SIR: Since my last dispatch there has been nothing of any special consequence. I am still without any reply from General Kilpatrick to my communications, which is probably due to the severe illness with which he has been afflicted.

It appears to be of vital importance that the United States should determine, in advance, the position which they will hold in relation to the procurement of peace and the settlement of the questions between Peru and Chili.

I hope by the next steamer, or at all events by that which will arrive on October 1, to have some definite communication from you.

I believe that Chili will make the cession of Tarapacà a *sine qua non* of peace, and that on this point they will not admit of discussion, unless under pressure from some other power than Peru.

If the United States are disposed and ready to insist that Peru shall have the opportunity to offer a money indemnity, and thus escape cession of territory, I am satisfied that such insistance on our part should pass directly from the Secretary of State to the Chilian minister at Washington, and thus come with the highest authority.

If, however, the Department of State is not willing or prepared to take this step, I cannot see how I can exercise any wholesome influence upon the stronger of the two belligerents.

The governments both of Chili and Peru have undoubtedly been informed that the United States would view with serious disfavor any request for, or acceptance of, aid from any European government in this matter of American policy.

I know that Peru fully understands this, and I presume General Kilpatrick has communicated to Chili the views expressed in your instructions to him.

Being thus imperatively cut off from European aid, and practically limited by the act of the United States to the friendly offices of our government only, it would seem that a duty was, by its own act, imposed upon the United States, to render effective and positive aid to the solution of this question.

Valmacida, minister of foreign affairs of Chili, said lately in a speech in their Congress, "that Chili must soon determine for herself whether she should return to her ancient boundaries or extend herself over half the continent."

It is not, in my judgment, for the interest of the United States that there should be any very largely preponderating power in South America, and still less so, if that preponderance shall be acquired, not by regular growth and development, but by violent and military means.

Yet at this very time there is danger of just such preponderance, obtained by just such means, and the only preventive I can see for this evil is the direct and specific action of the United States.

There is danger, even now, that the treaty between Chili and the Argentine Republic may fail of ratification, in which case war between these republics appears inevitable, especially as the Argentines look with great apprehension upon the military and naval development of Chili as a perpetual threat to them.

The Argentine Republic is now ready for war, and if they believe it to be imminent in the near future, they will of course prosecute it, while Chili is embarrassed by Peru and Bolivia.

Thus it is possible that the future peace and good order of South America may hinge upon the determination to be taken by the United States, in reference to the proper conclusion of the Peru-Chilian affair.

It is a noticeable fact that the Chilian Government has asked from their Congress appropriations for an army of 24,000 men, and a full war establishment for their navy, for the coming year, indicating that they propose to continue the state of things which makes such expenditure necessary.

This force is a very heavy one for Chili to keep up, and is sufficient for active war operations, and excessive for what remains to be done in Peru. It is therefore considered by the Argentines to be in the line of a menace to that country.

In the internal affairs of Peru, there is as yet no special development, except that I believe the dissension from Piérola in the interior, and the tendency to support Calderon, to be on the increase.

I was in hopes to have received the message of President Santa Maria, in time for this mail, but it has not come, and as I have no communications from General Kilpatrick, I am quite in the dark, officially, as to the course of events in Santiago, and even as to the fact whether my colleague there is in harmony with my views.

Reports are very current that he is not, but you will of course be advised of his actions and his purposes.

I have, &c.,

S. A. HURLBUT.

No. 358.

Mr. Hurlbut to Mr. Blaine.

No. 16.] LEGATION OF THE UNITED STATES,
Lima, Peru, October 4, 1881. (Received ———.)

SIR: Since the date of my last (No. 15) events have occurred which demand precise statement, and deliberate consideration.

As you are aware, from the correspondence of my predecessor, the dictatorship of Piérola crumbled to pieces after the battles in front of Lima. Piérola himself disappeared. There was no government in fact.

In this emergency, many gentlemen of high standing attempted to reconstruct a constitutional government, and to that end requested of General La Puerta, who was the constitutional Vice-President, overthrown by the Piérola rebellion, that he would resume his lawful power. This he positively refused to do, on account of his inability from ill-health to perform the duties. The situation was peculiarly pressing, because the Chilian military authorities, on occupying the city of Lima, had imposed a pecuniary contribution of one million of soles, in silver, per month, and in accordance with their somewhat peculiar notions, had apportioned this immense sum on certain private citizens, supposed to be wealthy, in fixed amounts charged to each one, with the penalty that if not paid their property in this city should be destroyed and themselves imprisoned.

With such an order hanging over them it became necessary to establish some form of government which might represent them. Prado, the constitutional President had run away from Peru before the Piérola revolution was made and has never returned. La Puerta succeeded as Vice-President, was overthrown by Piérola, and, as I have stated, declined to serve.

Garcia Calderon was chosen to act as provisional President; was permitted to act as such by the Chilian authorities; was assigned a certain neutral zone or space near Magdalena by the Chilian authorities; was allowed to appoint all his ministers and other officers; to publish decrees; to assemble his Congress; to keep an armed force of one thousand men, and generally to perform the functions of government. Negotiations for peace were opened with him by Godoy, on behalf of and by the authority of Chili. He was allowed to borrow money on the faith of Peru, and to issue about eight millions of paper money, out of which he paid a heavy sum in ransom of the city of Lima. He was recognized by foreign nations as the lawful head of the Government of Peru, and as such received official visits, and publicly and openly exercised all the perogatives of sovereignty. This chain of facts constitute recognition by Chili of the Calderon government, fully as effective as if given in terms, and in official communications.

Some four weeks since, Admiral Lynch, the Chilian commander-in-chief, disarmed the Peruvian guard in Magdalena; but in an official communication to Mr. Calderon, as well as in conversation with me, put this act exclusively on a military basis, giving as a reason the actual or probable desertion of the force, which reason I accept, as a proper military precaution.

On the 26th September, without any notice, he seized the treasury, and has it now under guard, and stopped, by military order, the payment of all funds of any kind; appointed Chilian officers to collect certain local revenues accruing to the Calderon authorities, and forbade the Bank of London, Mexico, and South America, in which the Calderon funds were deposited, from paying over.

Having thus seized the means of living, he then, on the 28th September, issued the decree and sent the letter, which I forward translated, and inclosed in translation of letter from Mr. Galvez to me, thereby virtually commanding Calderon to cease his functions, and to surrender all his archives, books, and papers.

Mr. Calderon consulted with me on receipt of this order, and said

very firmly that he should not obey it. Inasmuch as it was very probable that this act of disobedience would be promptly followed by military arrest, I suggested to Mr. Calderon the propriety of making some arrangement by which some legitimate successor could be provided in case he was disabled from acting. To this end the Congress, all of whose members were in Lima, was quietly assembled, and they proceeded to elect Admiral Montèro, now in command in the north of Peru, outside the Chilian lines, as Vice-President, thus continuing the constitutional succession. All of these acts are strictly legal, and not only according to the practice of Peru, but to the tenor of the constitution.

I also received from Mr. Galvez, the secretary for foreign affairs, such books, documents, and correspondence as he considered essential, and shall hold them in this legation.

These precautionary measures having been adopted, Mr. Calderon replied, under date of September 29th, to Admiral Lynch, in a well reasoned and dignified letter, which I also inclose in print, and in Spanish, as I have not yet found time to translate so long a document.

This letter has been sent by Admiral Lynch to his government, and since that time no further action has been taken, and I suppose none will be, until he receives instructions from Santiago.

I send, also in Spanish, the printed copy of Lynch's reply to Calderon's letter of the 29th.

I am not positive as to the real meaning of these extraordinary acts, but am inclined to think that the purpose is to abolish by force all respectable authority in Peru, and especially the one which the United States have recognized.

I find, also, that the British minister here, Sir Spencer St. John, is very frequently closeted with Admiral Lynch, and that their conferences are long.

It is a self-evident proposition that no act of Chili, whether from its civil or military authorities, can in any way operate upon the relations which the United States have maintained, or may choose to maintain with any government in Peru, nor can any military order prevent my treating with Mr. Calderon as representing the sovereignty of Peru.

I doubt whether even the Chilian doctrine, as expounded by Lynch, of the rights of conquerors will go so far as that. Yet, I see in the future no special limits to their possibilities of dictation.

There is a very decided tone of arrogance, both in the press of Chili and among their officers, born I think of their singular success in this war, which may easily become offensive.

The mask which the Chilian Government has worn to cover the real purpose of this war, is now removed, and it is openly avowed that peace will not be permitted, except on condition of cession of territory.

In looking back upon the whole history of events, prior to hostilities and since, I can have no doubt, but that the purpose, end, and aim of this war, declared by Chili against Peru and Bolivia, was in the beginning and is now the forcible acquisition of the nitrate and guano territory, both of Bolivia and Peru.

Everything else is made to bend to this purpose, and there is no reality in any pretense of peace on any other terms.

I shall await the action of the Department, and hope to be informed as early as possible, of such definite resolution as may be taken.

I am, sir, your obedient servant,

S. A. HURLBUT.

[Inclosure 1 in No. 16.—Translation.]

Mr. Galvez to Mr. Hurlbut.

MINISTRY OF FOREIGN AFFAIRS,
Lima, September 28, 1881.

Mr. MINISTER: On this day His Excellency the President has received the note and decree, a copy of which I have the honor to inclose to you.

The measures already taken by the commander of the army of occupation, in first disarming the guard which my government had at Magdalena, and afterwards in placing guards in the offices of the minister of hacienda, and in the public treasury, seizing upon all the funds of the government, gave reason to believe that the purpose of the Chilian Government was to cause all government in Peru to disappear, in order to carry into effect, not only the military occupation of Peru, the territory of the republic, but also the complete domination over the country. To-day, Mr. Minister, this presumption is a reality. The commander of the Chilian forces not only takes the direction of public affairs in Peru, but also suppresses all national government, prohibits the exercise of any act of sovereignty, and even demands, as if my government were a dependency of Chili, the surrender of the archives and documents which may be in its possession.

My government, which owes its existence to the choice of the people of Peru, and has for its rule of conduct respect to the constitution and the laws; my government which, in the presence of this same army of occupation, has quietly exercised its functions, finds itself, to-day, compelled to protest in the most solemn manner against this violent act of the Chilian Government which, I repeat, suppresses all national government, and necessarily prevents all negotiation for peace, and tends directly to absolute dominion over the whole republic.

The internal dissension in Peru will be the pretext under which Chili will insist that there is no government with which to treat, but the undoubted fact is that Chili does not wish that there should be any government in Peru with whom to negotiate, as a step to the destruction of the Peruvian nationality.

In giving to you, sir, the knowledge of such vastly important events, it is with the hope that you will communicate them to your government, so that it may plainly appear before America, and before the world, that my government in no respect admits the pretensions of Chili, and that at all times, under all circumstances, and in whatsoever place it may be found, it represents, and will represent, the supreme authority of Peru, until that nation, sole arbiter of its own purposes, shall decide as may correspond to its dignity and its interests.

I have the honor, Mr. Minister, to subscribe myself, your excellency's most faithful and obedient servant,

M. M. GALVEZ.

His Excellency STEPHEN A. HURLBUT,
Envoy Extraordinaire and Minister
Plenipotentiary of the United States.

[Inclosure 2 in No. 16.]

General Lynch to Señor Calderon.

LIMA, *September* 28, 1881.

Dr. FRANCISCO GARCIA CALDERON:

SIR: I have, on this day, issued a decree, by which I order the suspension of the exercise of all authority, which is not derived from these headquarters, except those municipal authorities actually in existence and allowed to continue for the purpose of collecting local taxes.

I take occasion to send to you, with this, a copy of my decree, the terms of which put an end to the government which, until now, has been in existence by our toleration, and presided over by you, and inasmuch as the documents, archives, and other effects in possession of the functionaries who have served under your orders, do not belong to them, but are public property, I trust that you will take the necessary measures to prevent any disposition of them, and will do me the favor of sending to my office, as soon as possible, a list of all of them.

With sentiments of distinguished consideration and esteem, I subscribe myself, your obedient and faithful servant,

P. LYNCH.

Copy of decree.

LIMA, *September* 22, 1881.

The GENERAL-IN-CHIEF of the Army of the North, Republic of Chili

Inasmuch as I have this day decreed as follows:

Hereafter in such part of the territory of Peru, as is now, or may hereafter be occupied by the forces of the army under my command, no acts of government will be permitted to be done, or exercised by any other functionaries or authorities than those established by these headquarters. The municipal authorities, which at present exist, shall, however, subsist and continue to receive municipal taxation for the purpose of providing for the necessities of local service.

Let this be recorded and report made.

In order, therefore, to give full notice to all persons, let this be published by proclamation, and by notices fixed on the most public places of the city.

P. LYNCH.

No. 359.

Mr. Hurlbut to Mr. Blaine.

No. 19.] LEGATION OF THE UNITED STATES,
Lima, Peru, October 5, 1881, 11 p. m. (Received ———.)

SIR: I have just consummated an agreement made with the Calderon government on the 20th September for the grant to the United States for a naval and coaling station at Chimbote.

The concessions set forth in the protocol are not so strong as I would have liked to obtain, but they are all that the President alone, without the approval of Congress, could give. I look upon it, in the relative position of the two countries, as giving us, should it be accepted by you, a very valuable foothold, which can hereafter be rendered more exclusive in matters of jurisdiction.

There is no question under Peruvian law but that the act of President Calderon is as effective in transferring rights as if he were a regularly elected President, and looking to the future I can see great possibilities in this grant. Chimbote Bay is by far the best on the Pacific coast, and the coal-mines in the interior, to which it is the entrance by way of the railroad under construction, furnish ample supplies, of good quality, of inexhaustible quantity, and at low prices.

The protocol and the approval of the same by President Calderon are inclosed with this dispatch. I have not time to elaborate this question by this mail, but will do so by the next.

I have also, at my own risk, concluded with President Calderon an arrangement by which the unfinished line of railway will be turned over by the government to me, as intermediary or trustee, to transfer the same to an American company, to complete, develope, and operate it. By so doing, it is easy to limit such company in the price to be charged the United States for coal, which ought not in any case exceed $5 per ton, and yet leave a large margin.

The possibilities for such a company are very large, as the country to be developed by the road is singularly rich in mines of metals and in agriculture.

This grant will include the completed and incomplete portions of the road, on which the government has already spent over $9,000,000, and the whole work can be completed now for $10,000,000.

The principal terms will be the payment to the Government of Peru of $1,000,000 in money and the same sum in paid-up stock to clear all

existing incumbrances, for which sums they cede the clear right to construct and operate the road for twenty-five years after it is finished, without rent or liability to account. At the end of that period the Peruvian Government has the option to buy the road by paying the principal of its cost to the company or to lease it for twenty-five years more at 25 per cent. of net profits.

The papers cannot be ready before the next mail, and will contain other rights and privileges which I cannot now enumerate.

I have determined to accept this trust so as to save this very valuable grant from any possible chance of being lost to our country.

In great haste, I am, your obedient servant,

S. A. HURLBUT.

[Inclosure 1 in No. 19.]

PROTOCOL.

On the twentieth day of the month of September, one thousand eight hundred and eighty-one, the undersigned, Stephen A. Hurlbut, envoy extraordinary and minister plenipotentiary of the United States of America, and Manuel Maria Galvez, minister of foreign affairs of Peru, met in the office of the American legation for the purpose of establishing, in the name of their respective governments, an agreement with the object of giving due facilities to the American naval marine on the coast of the Pacific.

The propriety of such an agreement having been recognized by the undersigned, and they having also taken into consideration the stipulations contained in Article XIV (fourteenth) of the treaty of friendship, commerce, and navigation, now existing between the two countries, have agreed upon the following:

First. The Government of Peru concedes to that of the United States of America the right and power to establish a station for coaling in the port and harbor of Chimbote, and all facilities which may be necessary in order that the ships of war and merchant vessels of the United States may be supplied with that article and may station themselves in said port.

Second. The concession above made is not to be considered as exclusive in favor of the Government of the United States, inasmuch as the Government of Peru reserves to itself the right to make analogous concessions to other friendly powers who may solicit the same.

Third. The land which the Government of the United States may acquire for a coaling station, either from the state or from private persons, will remain subject to the general laws which rule in Peru in reference to the ownership of real estate.

Fourth. The concession to which the first article of this protocol relates is of an indefinite duration, and the government of Peru shall have the power to withdraw the same by first giving to that of the United States not less than one year's notice.

In testimony of which the undersigned have signed the above protocol in duplicate, and have attached to both copies their respective seals.

M. M. GALVEZ. [SEAL.]
S. A. HURLBUT. [SEAL.]

[Inclosure 2 in No. 19.]

Señor Galvez to Mr. Hurlbut.

[Translation.]

LIMA, *September* 23, 1881.

It is gratifying to me to announce to your excellency that, under to-day's date, his excellency, the Provisional President, has been pleased to issue a decree approving the protocol which I had the honor to sign, with your excellency on the 20th instant, for the purpose of giving certain facilities to the American Navy on the Pacific coast, and that in proper time the necessary orders in the premises will be given by the ministries of marine and of the treasury in order that the stipulations contained in the said protocol-agreement may have due fulfillment.

With sentiments of the most distinguished consideration, I subscribe myself,

Your excellency's faithful and obedient servant,

M. M. GALVEZ.

To his excellency STEPHEN A. HURLBUT, &c.

No. 360.

Mr. Hurlbut to Mr. Blaine.

No. 20.] LEGATION OF THE UNITED STATES,
Lima, Peru, October 13, 1881. (Received November 3.)

SIR: Since the last mail a very important series of events has been inaugurated. On the 5th and 6th of October the troops and people of Arequipa, in the southern military department of Peru, have proclaimed their adhesion to the Calderon government, in which they have already been followed by the forces in Puno, and probably in Cuzco. This region has been Piérola's stronghold, and as it is entirely outside of Chilian military authority, it has been caused by nothing but moral force.

Last night letters were received from Cacères, commanding the military department of the center, promising to do the same thing, and I feel quite sure that Montero, commanding the northern department, and lately elected Vice-President, has by this time announced a similar policy. It now seems quite certain that a very decided majority, at least, of Peru will support the Calderon government. I have done a good deal in a quiet way to bring about this result, for I felt it a point of honor to establish on a basis of popular support this government, recognized as such by the United States, and *not* recognized by England and France.

My diplomatic colleagues, especially the British minister, are quite attentive now, and the latter volunteered the statement to me that he was ready to accompany Mr. Calderon to Arequipa if he went there.

Piérola is believed to be at Ica, a port to the south, and is further believed to be trying to negotiate with the Chilians.

The declarations from Arequipa, especially if followed up elsewhere, are likely to embarrass the Chilian programme. The logic of their proposed suppression of Calderon was that he had no following; and when such following is developed, it would seem logical that they should recognize him.

Unfortunately it will not always do, with these people, to reason on logical bases as to their conduct in the future.

I believe that the authorities in Santiago are themselves disposed to be reasonable, but that the heart of the people is set upon acquisition of territory, and that they fear an overthrow from the military and popular element if they yield this point.

There is a certain degree of awkwardness, and likely to be more, in the position of Calderon. He, as President of Peru, a nation technically at war with Chili, is within the lines of military occupation, and subject to military law.

I incline to think that it is competent for the Chilians to order him outside of their lines, and I rather expect it to be done. In that case, if he should remove to the interior, north or south, it becomes a question whether I shall retain the legation here or follow the government to its new station.

There will be nothing that I could do away from Lima that I could not do here, except the impression that personal intercourse with the President and his ministers might make in maintaining the just influence of the United States.

I take occasion to reiterate my opinion that the opportunity for the United States to settle this war is open. The Argentine Republic has ratified the treaty of boundaries. This gives additional force to the

rule of arbitration and mutual concession, and the good work commenced by the United States for the benefit of Chili ought to be complemented by similar results for the benefit of Peru.

I am as yet entirely without advices from you, either on the general subject of Chili-Peru, or as to the course taken, or to be taken, by the government and its representatives in these countries. This is of course attributable in great measure to the long and fatal illness of President Garfield, but it is quite important that this state of uncertainty should not much longer continue.

The papers for the grant of the Chimbote-Huaraz Railway are not yet complete.

Your obedient servant,

S. A. HURLBUT.

No. 361.

Mr. Hurlbut to Mr. Blaine.

No. 21.] LEGATION OF THE UNITED STATES,
Lima, Peru, October 13, 1881. (Received November 3.)

SIR: I have just received a very brief letter from General Kilpatrick, part of which I transcribe. I fear his situation is dangerous, and he evidently thinks so. In the event of his death, at this particular time, it will be difficult to supply his place as it ought to be supplied.

It is said here by the Chilian authorities that two Chilian commissioners, Altamirano and Novoa, are on their way here. They started to treat with Piérola, but the Arequipa affair throws him overboard, and if they treat at all it must be with Calderon. They will hold to the old claim of territorial cession, and as that cannot be admitted, the conferences will break up, unless arbitration be urged and accepted.

There is no earthly reason why this should not be done, and I believe Santa Maria can save himself from his own people by accepting arbitration.

To suggest this, and to enforce it, we shall need some one at Santiago, and if it should unfortunately happen that General Kilpatrick should die or become disabled the case should be met very promptly.

It is reported to me at this moment, on good authority, that Montèro has declared for Calderon, and I have seen a letter from Cacères, pledging his support whenever necessary. As Cacères's outlying pickets are close to the Chilian lines, and liable to be engaged at any moment, and Calderon within the lines, it is prudent not to be too open in the matter.

Your obedient servant,

S. A. HURLBUT.

[Inclosure in No. 21.]

General Kilpatrick to Mr. Hurlbut.

VILLE DEL MAR, *September* 30, 1881.

MY DEAR GENERAL: * * * * * * I am very ill, and have been for two months. I should not like to die here, and yet I may.

Yours,

KILPATRICK.

362.

Mr. Hitt to Mr. Elmore.

DEPARTMENT OF STATE,
Washington, October 13, 1881.

SIR: The Secretary of State, whose attention I called more especially to your communication of the 11th, stating that you would desire an interview with him in regard to Peruvian affairs, directs me to say to you that he will be glad to meet you at any time that you will call at the State Department in reference to the subject of which you spoke.

I have the honor, &c.,

ROBERT R. HITT,
Assistant Secretary.

No. 363.

Mr. Elmore to Mr. Blaine.

LEGATION OF PERU,
Washington, October 21, 1881. (Received ———.)

SIR: As the South Pacific cable is in the hands of the Chilians, the news from Peru which to-day's Washington and New York papers publish, came by steamer, being twenty-three days on the way.

Of course your excellency has the official version of the last act enacted by Chili in the drama which she has developed with a premeditation rarely equaled in history, and which convinces even the incredulous of what her intentions were. Not only two years and a half ago, when she declared war on Peru, after taking by force a piece of Bolivian territory, rich in nitrate of soda; not only nine years ago when she had her two iron-clads built in England to execute her purposes; not only fifteen years ago, when the Spanish fleet after burning Chili's principal port—Valparaiso—was defeated and driven away from the Pacific by the Peruvian batteries of Callao, filling Chili with rage and jealousy, but her intentions existed years ago, when she saw the wealth of Peru, consisting in the guano and subsequently the nitrate, which excited her envy and greed.

I have the honor to inclose herewith the newspaper correspondent's version and press comments upon the Chilian Admiral Lynch's orders suspending the civil authorities in all places in Peru occupied by the Chilian forces, and seizing the Peruvian treasury and bank of issue (nothing is said purposely about the authority of the provisional government). Allow me only to call your attention to the fact that as the Panama paper (from which most American papers copy) is in the interest of Chili, the remarks are mostly in justification of the Chilian acts, and the innuendoes are directed against Peru and those who have done something in support of her and of justice (inclosures Nos. 1, 2, 3, and 4). Of course it is evident that any introduction of bank-notes for the provisional government, or any alleged facts in connection with it, had absolutely nothing to do with the outrage committed by Admiral Lynch.

The explanation of it, Mr. Secretary, is simply this: Chili meant *from the beginning*, 1st, to take the territory containing Peru's wealth; 2d, to weaken the country in such a way that Peru should be in-

capable of resisting her now or in a *long future.* At the same time Chili counted upon two factors which she *supposed* in her favor: 1st, that all foreign nations were indifferent as to the fate of Peru; 2d, that no foreign nation would take interest in the reconstruction of order and of a constitutional government in Peru. But she counted also upon another factor to help her, namely, the continuance of internal dissention in Peru, which Chili, of course from years back, has always favored. Chili was right, unfortunately, in this *last supposition.* In regard to the two first mentioned, Chili made a grievous mistake, and her surprise on discovering it is the cause of her present rage, as shown by the first act of Chili's new President, Señor Santa Maria, the center of that group of Chilian politicians and financiers who resolved upon the plunder of her neighbors (as Chili wants not the territory itself, but the inexhaustible wealth in it).

Chili's mistake and surprise were caused by the friendly acts of the United States in trying to bring about a peace equally honorable for both belligerents, without detriment to the rights of Chili as the victor.

1st. Chili never believed that the United States would recognize the Calderon government (thinking that the United States would follow the lead of the European powers).

2d. Chili was disappointed when she saw that the recognition of the Calderon government by the United States was *just, because* that government meant to establish constitutional order in Peru, and to negotiate an honorable peace, which would restore to Peru her position among nations.

3d. Chili was displeased when she beheld that the United States had appointed as minister in Lima, a gentleman, General Hurlbut, whose talents, decision of character, and spirit of justice and fair play, were so distinct from Chili's purposes and practices.

4th. Chili was more displeased when she saw the words of conciliation and justice pronounced by the new United States minister in Peru, upon his reception by President Garcia Calderon; they showed a friendly disposition on the part of the United States towards Peru.

5th. Finally, Chili was terribly excited when she, for the first time, perceived that the United States Government would not see with favor the dismemberment of Peru, if Peru has otherwise a means of satisfying the just claims of her victorious enemy.

But, Mr. Secretary, if the United States, for all the historical reasons of the past, and of her inevitable destiny, has not the right to raise her voice on the affairs of this continent, then history would have to be rewritten, and no nation would have the right to take interest in the fortunes of sister nations.

The policy of the United States on this continent is well known, and your excellency's government recognized the government of Señor Garcia Calderon, because it *was a constitutionally organized* government (Mr. Piérola, being, by the tendencies of his life, able to be only a despotic ruler), and because the Calderon government *was and is* the only means of making constitutional government *permanent* in Peru.

The other reason the United States had for recognizing that provisional government was, because it was recognized by the Chilians who were ready to negotiate a peace with it. But, as the Calderon government was forbidden by a law of Congress to cede any Peruvian territory, as the United States recognized it, and as the United States preferred that, if it were possible, peace should be made without loss of territory to Peru, Chili it seems, decided that the existence of the gov-

ernment of Señor Garcia Calderon was *incompatible* with the execution of her plans and purposes.

This, Mr. Secretary, is the explanation of the news just arrived by steamer from Peru, which can only have surprised those who never understood the origin of the war and the real purposes of Chili.

At the same time, allow me to call your excellency's attention to the fact that Admiral Lynch's order does not make mention of the Calderon government as being suppressed, which was easy enough to do, as the material means at its disposal were so small. On this account no news has come by cable during the last twenty-three days of any such event.

Far from that, on the 14th of October, I received a cable message from Señor Rosas, the new Peruvian minister in France, dated Paris, 13th October, communicating a cable message from Señor Galvez, the minister of foreign relations of Peru (dated, no doubt, Lima, 12th October, as the cable is working), announcing the significant fact of the army of the south, Arequipa and Puno having recognized the provisional government of Señor Garcia Calderon.

Thus, the Calderon government was not only gaining popularity; not only had it the moral support of the United States, and other nations who had recognized it; not only was its moral strength increased by the perfectly correct and just appreciation of the iniquity of Señor Piérola's government, but it was gaining material strength, being recognized by the center of political power in Peru, Arequipa, and Puno, and by the very army who previously obeyed Piérola, because it was made to believe by Piérola that a continuation of the war with Chili was possible. For *these very reasons*, however, the Calderon government *did not suit* the purposes of Chili; it was becoming too strong and too respectable; and the consequence was that Peru was on the point of being reconstructed. Chili desires not only a dismembered Peru, but a prostrate and powerless neighbor.

The United States, by their action, have, I am proud and happy to say it, and the Peruvian people highly appreciate it, contributed more than any other nation, or any other circumstance, to give strength and respectability to the government of Señor Garcia Calderon. That government, as far as I know, and as regards its *personnel*, has not ceased to exist. It is the only constitutionally organized government Peru has proclaimed by the law of the constitutionally elected Congress of Peru.

Peru must have a constitutional government, and must have peace. Will the United States, only because Chili wishes to make both impossible in Peru, abandon Peru at this her most critical moment? A word from the United States would stop all lawless action on the part of Chili, and consummate the union of the Peruvian people, which had so successfully and so happily been inaugurated under the auspices of the United States.

In conclusion, as the representative of the legal government which your excellency's government recognizes, and of the orderly and respectable part of the people of the Republic of Peru (the oldest and most interesting country in South America, a nation of historical renown, and worthy of better fortune), I herewith repeat and confirm the sentiments I expressed in my address to the President of the United States, when I had the honor of presenting to him my letter of credence, as regards the influence which, in the opinion of Peru and my government, the United States should exercise on this continent, not only indirectly but directly—for the good of the South American states

and in the interest of the United States, and of free institutions and civilization in general.

When I made that address I had already received the special instructions to which I referred in my letter to your excellency of the 11th instant.

On account of my hope that the ministers of the United States in Peru and Chili might succeed in bringing the belligerents together to negotiate in good faith an honorable peace (not having also had the opportunity of conferring with your excellency), I have not communicated to your excellency these instructions.

Now, however, in view of the selfish, unjust, and heartless policy of the Chilian Government, of which she no longer makes a secret, I solemnly execute the instructions I have received from the President of Peru, and hereby formally request the government of the United States to intervene between Chili and Peru in order to make a treaty of peace between the two republics possible. In view of the extraordinary and exorbitant pretensions of Chili (demanding among other things, not only a war indemnity, but the cession of a part of the Peruvian territory, and the occupation of another part), and in view of the barbarous manner in which Chili conducted the war, and of her iniquitous proceedings and unceasing spoliations since, my government has earnestly arrived at the conclusion that a treaty of peace cannot be signed without the intervention of the United States of America.

I beg your excellency's government to please decide upon the measures most conducive to the end proposed, if, in the judgment of your excellency's government, it is convenient that the United States should bring Chili to a sense of justice, helping my country to reorganize herself, much improved by the sad lessons of adversity, and eternally grateful to her generous and powerful sister, the great, true, and model republic.

I have the honor to inclose some further items of news from Peru, (Nos. 6, 7, 8, and 9), and to renew to your excellency the assurances of my highest and most distinguished consideration.

J. F. ELMORE.

[The inclosures referred to are numerous extracts from newspapers printed in the United States. They are not considered of sufficient importance to submit.]

No. 364.

Mr. Hurlbut to Mr. Blaine.

No. 23.] LEGATION OF THE UNITED STATES,
Lima, Peru, October 26, 1881. (Received ———.)

SIR: The Department of State will no doubt have been advised of the excitement in Chili, over the publication by the newspapers in that country of a copy of a "memoradum" addressed by me to Admiral Lynch, a document which I forwarded to the Department as inclosure to my dispatch No. 8, of the 27th August, 1881.

I do not know by whom the publication of this note was effected. It appeared first in the Chilian newspapers, and I presume was given to the press by the Chilian Government as a basis for the note of Mr. Valnaseda to Mr. Kilpatrick. It seems somewhat singular that although General Kilpatrick has been unable to write to me during all

this time, anything more than a brief note as to his health, that he should yet have been able to answer the communication of Mr. Valmaseda on the very day of its date, and at such very considerable length.

It is not for me to criticise the act of my colleague at Santiago. I sent him a copy of the "memorandum" at the same time that I sent it to the Department.

I have not received from him any copy of the correspondence between him and the Chilian authorities, and my only knowledge of it comes from the publications in Chili and in this city.

If, however, these are to be accepted as correct, there would seem to be a radical difference between General Kilpatrick and myself, which demands the attention of the Department. Neither Mr. Kilpatrick nor the Chilian authorities have as yet attacked by argument the principles of international law laid down in the memorandum; nor do I believe that they can be successfully attacked.

They have chosen to affirm that these utterances contain a threat of active intervention on the part of the United States, which is nowhere asserted in the document. The question of what the United States may think proper to do, is one which can only be resolved by the President, and communicated when so resolved through the Department, and until so informed, it is not competent for General Kilpatrick or for me to limit the United States in any respect. I affirm that, according to my best judgment, the principles laid down in the "Lynch memorandum," are those which do in fact control, and in right ought to control the conduct of the United States; that they are and ought to be the bases of international law on this continent, and that Chili and Peru and all other powers in America, ought to accept and be guided by them. All this, of course, although clearly my opinion and belief, is subject to the revision and final determination of the State Department, and whatever may be the decision, it will be obeyed and faithfully carried out by me, so long as I have the honor to represent the United States in my present capacity. It, however, becomes my duty to represent to the Department the results which, in my judgment, may be expected from their decision.

Upon reaching the Isthmus, on my way down, I encountered in all the newspapers of the South American Republics, an expectation and desire that the United States, as natural head of the republican forms of this continent, should, in some way or other, put an end to this war between Chili and Peru.

I found, on arriving here, the same sentiment and belief, among the Chilians in the form of apprehension, among the Peruvians in that of hope. I found the English and French legations apprehending the same thing, but diligently at work to put all obstacles in the way of its fulfillment. I have been careful never to speak or write of any action whatever, on the part of the United States, but have never hesitated on proper occasion, to state what I believed, and now believe to be our opinions on the questions involved, and have never gone beyond what is set forth in the "Lynch memorandum."

Inasmuch as the United States had recognized Garcia Calderon as the President of Peru, I have done all I could properly do to unite Peru under his authority, and have succeeded in so doing, despite of the influences exercised against such a result by the other legations, notably those of England and France.

To-day no other government has any respectable foothold in Peru,

and Piérola must either run away or fall a victim to mutiny in his own forces.

This dominant influence of the United States in Peru is now a fact, and has been acquired, as I have stated.

It is, in my judgment eminently worth while for the United States to keep this position, not only here but in all America, and their retention of this position depends upon their own action.

If the Government of the United States choose to say the word, this wretched state of things will cease. If they choose to say that the time for peace has arrived, peace will be made.

If they choose to say that the two countries should submit the question of indemnity to arbitration in case they cannot agree, such submission will be had, and the matter end honorably to both countries.

Unless the United States do take such positions, indefinite military occupation of Peru, or so much as the Chilian forces can cover, will be the result; anarchy, violence, plundering by petty war parties will dominate over the country, and the ruin of all foreign investments in the country will follow. If the United States, after denying to these people any application for aid from any European state, shall themselves refuse any help in their desperate situation, it would seem to be almost a breach of national faith. I myself, am a profound believer in the right and duty of the United States to control the political questions of this continent, to the exclusion of any and all European dictation. This belief I understand to be held also by the American people, and to have been asserted by Congress. This I also understand to be the doctrine of the administration which sent to me this place.

The opportunity to put the doctrine into practice is now before us, and as the communication is so slow I state here the probable course of affairs, and ask for instructions.

The two Chilian plenipotentiaries, Altamirano and Novoa, have arrived to-day. They are said to have full powers. They will either recognize the Calderon government or fail to find any with which they can treat. If they do not recognize that government I shall consider such fact evidence that they do not want peace. If they do, and peace negotiations commence, I believe they will drop the word "cession" and substitute "pledge;" that they will demand an enormous indemnity, and to hold the southern provinces as pledge and security for the payment.

Peru will offer thirty to forty millions as indemnity. This will be refused, and then affairs are at a stand. Peru will then offer to submit the question of amount to arbitration. This offer, I think, will be refused.

It seems to me that the opportunity for the United States will be to insist early in the negotiation, and forcibly, that the principle of arbitration shall be accepted and acted on.

The mode of such insistance must, of course, be determined by the Department, but I feel sure that it ought to be done, and done at an early stage, and before Chili commits herself by a refusal to entertain arbitration. I have no doubt of the result if so done. Chili cannot afford to refuse it. Peru asks nothing but an impartial arbiter, and the result will place the United States where they ought to be, as the acknowledged head of the republican system of America.

Yet very prompt action is necessary for this result, of which I hope to be promptly advised by telegraph or otherwise.

I have, &c.,

S. A. HURLBUT.

[Inclosure in No. 23.—Translation.]

Mr. Balmaceda to Mr. Kilpatrick.

MINISTRY OF FOREIGN AFFAIRS,
Santiago, the 8th of October, 1881.

SIR: The newspapers of Valparaiso and of this city have published the memorandum addressed on the 24th of August, by Mr. S. A. Hurlbut, United States minister in Lima, to the commander-in-chief of our army of occupation in that city, Rear-Admiral Lynch.

Mr. Hurlbut's letter, accompanying the memorandum referred to, has not, however, been published; in it the said gentleman began by saying to Admiral Lynch that in the conversation alluded to in the memorandum diplomatic affairs were not discussed (no se trataba de asuntos diplomaticos).

My government has thought it proper to draw attention to the irregularity of this conduct, disregarding the essential part of it, because they feel certain that the sentiments expressed in the memorandum are not the expressions of the wise, noble, and faithful policy observed by the United States with regard to the belligerents of the Pacific.

The strange publicity given to a document of small confidential importance, if we take into account its forms and the circumstances under which it was edited, compels me to address myself to your excellency, in order to obtain an answer that may establish officially the truth and sincerity of the relations so worthily cultivated by our respective governments.

Mr. Hurlbut's address in presenting his credentials to the government of Señor García Calderon, now at an end; the memorandum addressed to Mr. Lynch, in which "diplomatic affairs were not discussed;" his well-known letter against Piérola, before whom Mr. Christiancy had been credited, and whose envoys met in conference in Arica, in the presence and with the full countenance of the representative of the United States; all these facts might produce deplorable disturbances and encourage our enemies uselessly, stimulating fruitless resistance without finally affecting the result of a war that in any event may become sanguinary.

Chili was provoked to war; the property of her citizens was confiscated, and they themselves inhumanly expelled from their homes; her industries were abandoned by thousands who elected to vindicate their rights and honor; enormous sums of money were expended in the maintenance of the war; the priceless blood of her sons was poured out; the enemy was routed and reduced to a radical and absolute impotency. We shall carry on the war so far as may be necessary to compel the vanquished to conclude peace, and in the adjustment of peace, practicing our rights, we shall act so far as may be necessary to obtain due reparation for the evils produced by this war, for the future security of peace, and for the permanent stability of the republic.

We shall exercise fully the primitive right which authorizes us amply to guarantee our own existence, a right confirmed at all times by the practice of European powers and also by the United States, on this continent.

I feel confident that our rights as belligerents will be in the future as much respected by the United States as they have been to this very moment; the conduct of their representatives in Arica and during all the course of the war; their friendly participation in the treaty resolving the boundary controversies with the Argentine Republic; their worthy international traditions, and the respect which as a powerful nation they owe specially to independent and sovereign states; all these circumstances give me a perfect security that the United States will continue to be the officious, may it be said, but always the neutral friends in this protracted struggle sustained by us against our enemies in the Pacific.

Inasmuch as motives strange to my government will have created an uncertain state of things in the public mind, which may be misunderstood and occasion therefore disagreeable emergencies in the difficult circumstances which the state of war creates to the belligerents, I hope to receive from your excellency the assurances which in accordance with your instructions you may give to my government regarding the reciprocal good understanding which exists, and that will be maintained in an invariable manner, between the republics we have the honor to represent.

I have, &c.,

J. M. BALMACEDA.

No. 365.

Mr. Elmore to Mr. Blaine.

LEGATION OF PERU,
Washington, October 27, 1881. (Received ———.)

SIR: As your excellency is aware from our interview this morning, I only received to-day my government's dispatches regarding the order of Admiral Lynch of 28th September, which attempts to suppress, by a stroke of the pen, the government of Señor Calderon in Peru.

I have the honor to inclose herewith a copy of the circular letter on the subject addressed by Señor Galvez, minister of foreign relations for Peru, to the representatives of foreign powers in Peru (inclosure No. 1); also a printed copy of Señor Calderon's lengthy reply to Admiral Lynch (No. 2); also a correspondence and comments of an American paper (No. 3).

Your excellency will observe that the government of Señor Calderon protests against the arbitrary act of the Chilian admiral, and that the President and his cabinet have the firm decision of continuing in their posts, and exercising their functions at all times, under all circumstances, and at any place were they may be.

Your excellency will notice the solid and dignified arguments of Señor Calderon, proving in how many ways the Chilian Government and officials have recognized his government, showing that it has been recognized by various foreign nations, and that it was increasing daily in popularity. To this I repeat what I have previously stated in my letter of 21st instant, that by a cable from Lima of 12th October the army of the south in Arequipa and Puno also have recognized it; and now I add that in an extraordinary session of the Peruvian Congress, held in Lima on 29th September, Admiral Montero (who has been commanding some force and influence in the north of Peru) has been elected Vice-President of Peru), to act in conjunction with Señor Calderon.

I am desirous to be able to send to your excellency a translation of Señor Calderon's admirable letter, and hope to do so shortly. My long letter of 21st October to your excellency, which I confirm, makes it unnecessary for me to trouble your excellency with another long letter at present.

It is proved that it is because Señor Calderon cannot and will not accede to Chili's imperious demand of a cession of Peruvian territory, as a preliminary condition to commencing negotiations of peace, that Chili pretends to destroy his government, which your excellency's government recognized for such noble reasons.

I anxiously await your excellency's judgment upon this iniquitous proceeding of Chili, which tends to make all government impossible in Peru, and renders also the conclusion of a peace impossible; and I await with equal anxiety the reply of your excellency's government to my petition of the intervention of the United States, which will unite the Peruvian people, reconstruct constitutional government in Peru, and re-establish peace in South America.

I hope also to be able to explain to your excellency, verbally, other circumstances in connection with the state of affairs in South America which make the present situation most exceptional and the action of the United States most opportune.

I have the honor to renew to your excellency the assurances of my highest and most distinguished consideration.

J. F. ELMORE.

[Inclosure in Mr. Elmore's note of October 27, 1881. Translation.]

President García Calderon's reply to the letter of Admiral Lynch, Chilian commander-in-chief, communicating his order suspending the exercise of all civil authorities not appointed by the Chilian headquarters.

LIMA, *September* 29, 1881.

Señor PATRICIO LYNCH: Yesterday I received your letter of the same date, in which you inform me that in pursuance of the proclamation, of which you have sent me a copy, you have put an end to my government, and asking me for a statement of the papers, archives, and other effects which the officials who have served under my orders may hold.

If I was not in possession of other facts besides your letter, I would have but few words to say in reply to it, because neither the letter nor the proclamation express the real motive of your order.

But the facts which have developed since the disarmament of my troops at Magdalena; the conferences held toward the settlement of peace between Peru and Chili; the taking possession of the treasury offices under my administration, and the publications, both in the Chilian press and the Lima newspaper La Situacion, explain the motives of your proceedings, and make perfectly clear that as soon as the Government of Chili became convinced that I am not and have never been disposed to sacrifice the territory of Peru in a treaty of peace it began to take measures hostile to me, which have been carried on to the extreme of declaring my government abolished.

So explained, your proclamation has not the character of a simple military measure within the action of martial law, and on this account my reply cannot be short. It is necessary that the serious and momentous measure contained in the proclamation should be analyzed in detail, and for this reason I must occupy your attention for some time.

Although according to the rules of law and custom (which you have hitherto followed yourself, addressing always your letters to my minister of foreign relations), I should never communicate officially with anybody but through the various departments, I wish on this occasion to depart from those rules and myself reply to your letter and deal with the question at issue.

In February of the present year a respectable majority of this capital and Callao, considering that the government of Señor Piérola had come to an end for reasons of domestic politics, to which it is not necessary to refer here, decided to form a new government, which would satisfy the exigencies of the situation, and appointed me the Provisional President of Peru.

Being in possession of this authority, strengthened by the will of the people, I commenced to exercise my functions, and the most important ones which I executed at the inauguration of my government were the following two: The negotiations for the disoccupation by the Chilian forces of the zone within which I was to exercise my functions, and the payment of the war tax levied upon Lima and Callao.

If, on exercising those acts, I had thought that my powers did not derive from the people who have intrusted them to me, but from the Chilian authorities, I would certainly not have agreed to anything nor made engagements of any kind, because I would have had no power to enter into contracts.

But the Chilian plenipotentiaries and the commander-in-chief of the army of occupation treated with me, recognizing the fullness of my powers emanating from the popular will, and for that reason I concluded agreements with them.

And it is in truth impossible to think otherwise, if we take into consideration that, in order to realize the payment of the said war tax, I practiced two of the most important acts of national sovereignty, which are the issue of a loan contracted mostly with foreigners resident in the country and the issue of treasury notes, which are obligations which the Peruvian nation are bound to pay.

The Chilian authorities, by the fact of accepting as a part payment of the war tax the funds proceeding from the loan, and the not less important fact of receiving treasury notes, recognize my authority and my legitimate right to execute those two operations. The Peruvian Government alone, can bind Peru, and only from the Peruvian Government can the Chilian authorities receive titles of Peruvian credit in payment; because I, regarded as a simple citizen of this country, cannot issue documents of credit which shall impose obligations upon the republic.

If this were not so one of two consequences would result; either the Chilian authorities allowed themselves to be deceived by me, by receiving in payment for the tax a paper issued privately and without official value, or, in the belief that I was not the chief executive, gave their consent in order that I might deceive those foreign residents, borrowing money from them and issuing notes without legal value.

The former of these suppositions would do very little honor to the intelligence of Messieurs Vergara and Altimarano, and the latter would constitute them accomplices in a fradulent emission, made by a person without authority to do so. Neither of the

suppositions can be admitted, and hence it must be acknowledged that the Chilians recognized me from the beginning as the legitimate chief executive of Peru.

This recognition has become afterwards (if it were possible) more explicit, because Señor Joaquin Godoy, Chilian plenipotentiary, held conferences with me in regard to peace, which were initiated by him; because you have, after Señor Godoy's departure, informed me, through distinguished officials resident in this capital, that you had asked of your government full powers to treat with me, and because in the official communication addressed by you to Minister Galvez, after the disarmament of my troops at Magdalena, stated that the act was of a purely military nature, did not imply a change in the relations existing with me, and was not intended to interrupt the pending negotiations. It is then evident from the foregoing that I have been regarded by the Chilian authorities as a person fully authorized to conclude a treaty of peace, and as I cannot execute such an act in the capacity of a private citizen of Peru, it is necessary to acknowledge that the Chilian Government has recognized me as the chief of the legitimate Government of Peru.

I am certain that you accept this logical deduction, because otherwise we will be placed in another dilemma, viz, either the public men of Chili have committed the error of believing me to be the chief of the government without being so, or that knowing I was not such, they have resolved to treat with me, provided I was ready to accept terms favorable to Chili.

Out of respect for men who occupy high positions, and the considerations which governments should show each other, I do not accept either of these conclusions; neither do I believe that Chili accepts them, and therefore I repeat that my government is recognized by yours.

This being so, and it being also proved by the foregoing facts and by other facts of public notoriety that my government was established by the popular will and not by order or consent of the Government of Chili, I cannot accept your proclamation, which declares my government abolished as if it were one of the offices under your orders. My authority derives from the people who elected me and from the Peruvian Congress, who has confirmed and extended my powers, and as long as these two authorities do not appoint another to occupy my place, I am and shall continue to be the President of Peru, whatever may be the contingencies to which I may be exposed.

My powers do not, consequently, owe their existence to the toleration of the Chilian authorities, as you state, but they derive from a fountain beyond the control of those authorities. The sovereignty of Peru, which is the source of my powers, is not subject to the authority of Chili, or, to speak more correctly, it has not disappeared by the occupation of a part of the Peruvian territory, nor will it disappear if the whole territory were occupied. The word occupation itself expresses it clearly. On the other hand there would be toleration on the part of the forces who occupy the territory if the establishment of a government in the occupied territory were contrary to martial law. In such a case it could be said with reason that its acts were tolerated (not having then the right to practice any).

Martial law gives to the occupants the right to forbid all acts which may make the occupation insecure, and on this account they may forbid whatever may endanger their safety. In accordance with this rule, established by international law and by the practice of nations, you may oppose my having troops and my practicing all acts of hostility. Acknowledging this right when my troops at Magdalena were disarmed, I protested against that act, not because I have the right to keep an army, but because it violated our pre-existing engagements, and inasmuch as it might imply a rupture of relations with me. But as you declared that that measure was a purely military one, and dictated only by motives of safety, I recognized the force of martial law, and I did not insist on my reclamation. I continue, however, occupying without troops the zone of Magdalena, Miraflores, and Chorillos, and the authorities appointed by me are to this moment at those places, which your troops have not again occupied.

This fact, apparently insignificant, proves that you and I are perfectly in accord as regards the extent of martial law. I understand that I cannot exercise in Lima any function which may have the character of a public act or of an act of force, and I abstain from practicing the same; and you must be convinced that you cannot oppose any acts outside of that sphere, and for the same reason you have not opposed my constituting offices in Lima, transacting business in them, and practicing in general all governmental acts which do not require a public manifestation as an essential requisite for their validity.

According to these principles, you have had no right to take possession of the treasury nor to sequestrate the funds which the government possesses in the Bank of London, and which proceed from loans made by the bank itself; nor to demand the surrender of the other offices under my administration. Those establishments are not of a warlike character, and I myself have no war powers, consequently martial law cannot be invoked for such acts. Martial law is not conquest; martial law does not transfer Peruvian territory to the Chilian Government, and consequently in spite of that

law I can and must exercise my authority, with the limitations indicated; and the offices under my administration should and must continue in operation.

To these considerations must be added the fact that many foreign nations have recognized my government as the legitimate government of Peru; and in virtue of that recognition I have contracted with foreigners residing in this country obligations which I must fulfill. If those countries had believed that my government could disappear by an order from the Chilian authorities, they would have never recognized me. But they have thought that Peru has the right to govern herself, and have established relations with me, and have now the right to require the fulfillment of the contracts entered into with their nationals.

I have, however, stated at the beginning of this letter that my resolution not to cede any Peruvian territory as the basis of the treaty of peace is the cause of the measures taken against me. Even under this supposition it will be easy to show that what is now required of me is not justifiable.

When my election took place, I received the mission to conclude a treaty of peace with Chili; and from that moment I made efforts not only to know the true opinions of the republic as regards the treaty, but also to study the terms proposed at Arica, and to find out if they were or not reasons strong enough to make them advisable. It does not require a great effort to see that the majority, if not the whole of Peru, is opposed to the cession of territory, and this being the fact, the treaty of peace, in which that cession were stipulated, would produce as a result, not only the overthrow of the government who were to sign it, but also the necessity of undertaking another war.

The first of these reasons, which belongs exclusively to the domestic politics of Peru, does not in truth concern the Republic of Chili; but the second reason is of serious import to Chili. To her and to Peru it is of the highest importance that the peace concluded should be such that it shall not be in future altered, and that hostilities be not again renewed; and as this end cannot be attained by accepting a condition of peace which the republic rejects, I ought not and must not sign a treaty in which under the name of peace, I should make a legacy of perpetual wars to my country and to the Republic of Chili.

The example of what passes in Europe cannot be alleged to destroy the force of the preceding consideration. On the contrary the extension of frontiers among the nations of Europe has been from the remotest time, and will continue to be in the future, the cause of formidable wars which destroy millions of men. In spite of the exuberance of population and wealth of the European nations, their large permanent armies are the cause of immense evils, and these are the natural consequence of the wars of frontiers, boundaries and conquest. If this system were to be introduced into America it would produce sooner or later the ruin of the continent. Our republics are not rich in capital or in population, as is proved by the fact that all are in need of immigration, and that the least commotion compels them to raise new loans, and to issue paper money.

If, in consequence of her first war, Chili has been forced to have recourse to the use of paper money, of which she was free, what will happen when she shall be obliged to sustain two or three more wars, or at least to keep up a considerable army to maintain the extension of her frontiers. Listening only to the passions of the hour, some may say that the future which I foresee will never be realized; but only ordinary minds will think so, and neither you nor the statesmen of Chili will agree with such.

Nations never perish; reactions easily operate in them, and frequently their reconstruction is as surprising as their fall had been unexpected.

Convinced as I am of all this, and longing for a lasting peace, I cannot make up my mind to dismember the territory of Peru. I do not wish that my name shall pass to posterity with the stigma of reprobation with which the people of America will brand the man who will legalize among them the fatal system of conquest; a high feeling of American policy guides me in this case, and compels me not to consent to the cession of territory.

I know very well that these ideas will not be agreeable to a considerable portion of the Chilian people, because at all times popular feeling has been intemperate. But I believe at the same time that you and all other Chilian statesmen will think as I do, because I have believed, and now believe that your government will conclude a treaty of peace without exacting territory. I accepted the office I hold, and now continue to hold it, and have not resigned it, because I have the same conviction, which has suffered no change; although, as I have said, I judge the measures taken against me have their origin in my refusal to give up Peruvian territory.

But I have thought also that nobler ideas will make their way hereafter among Chilian statesmen, and then a treaty of peace will be easily made, and we shall be able to conclude it in a way that it will afford us securities in the future. We should be unable to attain this end, if I could not pay to Chili the expenses of the war, but I have the certainty and the means to pay a reasonable indemnity, fixed by common accord, or by arbitration; and this is another reason which compels me to oppose a cession of territory.

As, therefore, the possibility exists of settling, within a short time, the pending questions, and feeling as I do that no Peruvian will cede a part of the territory of his country as a basis of peace, the prolongation of the existing state of things, or what has been called the indefinite occupation of the Peruvian territory, offers, as all measures of the same nature, the inconvenience of being a defective settlement.

This is neither a state of war nor a state of peace, and causing serious injury to Peru, does also injure Chili. Instead of so anomalous a situation which forces both countries to exhaust their strength, and which will make wider and wider the separation caused by the war, is it not nobler, more grand, and more American to conclude a lasting peace that will secure a tranquil and glorious future to our countries?

These are reasons of such weight that I do not doubt but that they will influence your mind not only not to insist upon the closing of my public offices, but also to decide you to turn over to me those you have taken possession of. But if, as I presume, you act by order of your government, you may at least suspend all subsequent proceedings, transmitting to the Government of Chili the present letter, which I am sure will become the basis of our future understanding.

I am, &c.,

F. GARCIA CALDERON.

No. 366.

Mr. Blaine to Mr. Hurlbut.

[Telegram.]

WASHINGTON, *October* 27, 1881.

HURLBUT, *Minister, Lima:*

Influence of your position must not be used in aid of Credit Industriel, or any other financial or speculative association.

BLAINE.

No. 367.

Mr. Blaine to Mr. Hurlbut.

[Telegram.]

WASHINGTON, *October* 31, 1881.

HURLBUT, *Minister, Lima:*

Continue to recognize Calderon government until otherwise specially instructed.

Acknowledge receipt.

BLAINE.

No. 368.

Mr. Hurlbut to Mr. Blaine.

No. 24.] LEGATION OF THE UNITED STATES,
Lima, Peru, October 31, 1881. (Received November 25.)

SIR: The events which I indicated in my last dispatch (No. 23), in relation to the recognition of the Calderon government by the interior of this country have actually transpired. Montèro, commanding the north of Peru, has formally and officially proclaimed adhesion to this authority, with the hearty assent of the army and people.

Cacères, commanding the center, has undoubtedly followed, but official notice has not yet been received. The southern department, headquarters at Arequipa, led off in this peaceful revolution on the 8th day of October. Thus the fact which I deemed of primary consequence, the unity of Peru under a constitutional head, has been attained, and it has been attained in deference to the wishes of the United States, and in distinct opposition to the European legations, as well as to the pretensions of Chili.

Not a drop of blood has been shed, not a life lost in obtaining this result. Whatever may be the final settlement of affairs with Chili, I feel that this consolidation of public sentiment in Peru is a successful issue of one object of my mission here.

It is a matter of very deep regret to me that Mr. Kilpatrick has not been able to bring any influence to bear upon the Chilian administration at Santiago in favor of the recognition and support by Chili of the Calderon government.

I understand, by certain paragraphs in his "instructions," that through Mr. Osborn the United States had received substantial assurances from Chili of favorable action by that republic toward the Calderon government, and that Mr. Kilpatrick was directed, on proper occasion, to strengthen and confirm such purposes.

Unfortunately my colleague has not written me a single dispatch, and I can only guess at his actions from events. The process of military suppression of the Calderon government by Chili has been given you heretofore, and in Mr. Valmaseda's note to Mr. Kilpatrick of 8th October he evidently chose to consider this Calderon government as utterly dissipated, for he uses the term "*ya fenecido*" (already dead) as descriptive of its condition.

It has seemed to me that the whole conduct of Chili in this matter has been in bad faith.

Having given the pledge referred to to Mr. Osborn, they have violated it without excuse. I find their reason for so doing in the known fact that they could not obtain from Calderon a pledge of cession of territory, and therefore determined to destroy his authority. In this they have signally failed, and have in fact contributed to his present popularity in Peru. The commissioners, Altamirano and Novoa, have been in this city some six days. As yet, no approach has been made toward negotiation. I learn from various sources, of different degrees of credit, that they are considering the propriety of indefinite armed occupation, the establishment of Chilian civil service, and the consequent reduction of Peru to a Chilian province. This is undoubtedly what they would prefer. Their principal fear seems to be that Chili has not population enough to overrun and hold Peru. The idea next in favor is to demand cession of Tarapacá, Tacna, and Arica as condition precedent to consideration of peace, and as a *sine qua non* of entertaining any negotiations. They say that public opinion in Chili is united and resolute to keep these territories at all hazard, and that a failure so to do would overthrow their government.

It is probable that within ten days one or other of these propositions will be decided upon. At present they utterly ignore Calderon and his government, and I am of opinion that they will soon command him to leave their lines. This, of course, they have the right to do, and he is ready to go when they say so, and I should not be surprised in that case, if they should interfere with the legations established here, or at least with those which recognize Calderon.

The straightforward and manly course for them would be to acknowl-

edge the known fact of Calderon's lawful Presidency, sustained by an overwhelming popular sentiment, and frankly to open negotiations with him on the subject of peace on terms of equality. But for the very reason that this course would be manly and straightforward, I judge that it will not be adopted. On the contrary, I have full reason to believe that they are now secretly treating with agents of Piérola.

I have already several times presented the apparent impossibility that Peru can receive the least courtesy, to say nothing of justice, in this controversy so long as she stands alone, and I continue to wait with patience the action and decision of the Executive at home.

There are many insolences in the official Chilian paper in this city, the only one allowed to be published, and there have been wrongs done to American citizens which for the present I do not forward to you, in the hope, though I fear a vain one, that the military authorities may correct these abuses.

As to the articles in the press I take no notice, but the others are more serious, and if not soon properly adjusted I shall be compelled to send them forward for your consideration. The situation is not pleasant, and requires of me an unusual forbearance, and a careful consideration of such steps as I may find necessary to maintain the rights of our citizens.

I have, &c.,

S. A. HURLBUT.

No. 369.

Mr. Hurlbut to Mr. Blaine.

[Extract.]

No. 25.] LEGATION OF THE UNITED STATES,
Lima, Peru, November 2, 1881. (Received November 25.)

SIR: I was surprised by receiving, on the 31st ultimo, a telegram from you dated 29th, which, when deciphered, read as follows:

Influence of your position must not be used in aid of Credit Industriel or any other financial or speculating association.

To this I immediately answered.

It has not been; it will not be.

I do not know the reasons why such a warning should be sent me. I have, of course, known that the "Credit Industriel" had made arrangements with the Peruvian Government to furnish them the funds wherewith to pay the money indemnity, which might be demanded. But the whole matter of that contract, of which I never knew the particulars, was concluded long before I arrived in Lima, in fact, as I am informed, before I was appointed to this place. To set the matter absolutely at rest, I inclose herewith a correspondence had this day with President Calderon, by which it appears that the last action taken was in the month of March last.

I have looked upon the matter of these money arrangements between this corporation and the Peruvian Government, as a matter exclusively Peruvian, and not in the most remote degree connected with this legation.

Mr. Jacob R. Shipherd, who claims to represent the Cochet claim, has written very peculiar letters to Mr. * * * in reference to that

claim, and in his last letter complains somewhat indecently of the little interest I appear to take in the supposed claim or syndicate over which he claimed to preside.

From what Mr. * * * tells me of the contents of his last letter. it is possible that he or his allies have something to do with this charge as to the Credit Industriel.

I wrote to the Department, in my No. 12, my opinions upon the Cochet claim, on which Mr. Shipherd and his associates rely. I have also written in reply to Mr. Shipherd's letters giving him my views of his case so far as I know its merits. I have pointed out to him the utter defect of proof as to three positions, each vital.

The whole colossal speculation rests upon assumptions, not evidence. Thus, first, it is not true in fact that Cochet discovered either guano or its uses as a fertilizer. As such it has been known and used for hundreds of years, far back into the time of the Incas.

Second. It is not true that Peru ever recognized him in any such capacity.

Third. It is not true in fact that his rights, whatever they were. descended to his illegitimate son, under whom these parties claim, or at any event that any record of legitimation has thus far been produced.

I presented these defects to Mr. Shipherd, who does not like my criticism, and writes to Mr. * * * that he can get on quite well without me, as he has the whole government and all their friends on his side and pledged to his scheme.

I am very glad to be relieved, for he has overwhelmed me with voluminous matter, so strangely written, and with such singular assumptions, that I am inclined to doubt his sanity or his truthfulness.

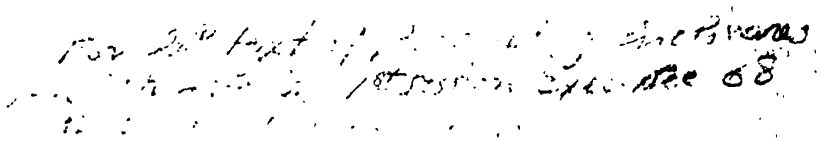
I would be pleased to believe in his notions, and to feel certain that American citizens had a just claim to a thousand millions, but, unfortunately, I have no evidence in favor, and very much against. Inasmuch as he has relieved me of the affair, I have concluded to send you a very considerable portion of his correspondence, so that you may judge of the character of the statements I am called upon to believe.

In the short letter, the first of the series, dated June 2, 1881, you will perceive the modest proposition of a share in the enterprise. I request that he will show to you any and all letters received from me. Let it suffice for me now to say, that I never have proposed, nor do I now propose, to aid officially or otherwise any project having any relation to the money affairs of Peru, from any source, American or foreign. unless I am instructed so to do. I shall use my best endeavors to restore good government in Peru and to bring about a peace, but shall leave that republic free, as I have hitherto done, to negotiate as she pleases for the ransom of her national life.

I send the Shipherd papers herewith, to be read if you choose to take the trouble, and to be retained in the Department, as possibly they may be necessary for me to keep.

I have, &c.,

S. A. HURLBUT.



[Inclosure 1 in No. 25.]

Mr. Hurlbut to President Calderon.

UNITED STATES LEGATION,
Lima, Peru, November 2, 1881.

Will you do me the favor of giving me the actual date of the conclusion of the contract between your government and the Société du Crédit Industriel, for the information of my government.

I have the honor, &c.,

S. A. HURLBUT.

His Excellency F. GARCIA CALDERON,
President, &c., &c.

[Inclosure 2 in No. 25.—Translation.]

Mr. Calderon to Mr. Hurlbut.

LIMA, *November* 2, 1881.

S. A. HURLBUT, Esq., *&c., &c.:*

MY DEAR SIR, AND DISTINGUISHED FRIEND: I have to state for your information, in reply to your note of to-day, that the contract between this Government of Peru and the Société du Crédit Industriél, was signed in Paris on the 7th of January, 1880, and was modified by the government over which I preside in the month of March, in the present year, 1881. This is all that has occurred in relation to this matter.

I repeat to you the assurance of my most distinguished consideration, subscribing myself your true friend and obedient servant,

F. GARCIA CALDERON.

[Inclosure 3 in No. 25.]

Mr. Shipherd to Mr. Hurlbut.

LAW OFFICE OF JACOB R. SHIPHERD,
10 *Spruce street, New York, June* 2, 1881.

DEAR SIR: Of course we shall be glad to have yourself—so far as it may be entirely proper—and your personal friends interested with us, and I will reserve say $250,000 of the pool stock subject to your advice.

Terms of payment can suit individual convenience.

Very respectfully,

JACOB R. SHIPHERD.

Hon. S. A. HURLBUT,
Belvidere, Ill.

[Inclosure 4 in No. 25.]

Mr. Shipherd to Mr. Hurlbut.

NEW YORK,
10 *Spruce street, June* 2, 1881.

DEAR SIR: I have recently written to my trusted friend and former counsel, * * * inclosing him our pamphlet and asking his advice concerning the distribution of the Chicago allotment of stock. He is of the well-known * * family of the * * * National Bank, and is the counsel of the bank. He can give you accurate and ample information concerning me personally and my business record, and I shall be glad to have you question him as freely as you may desire.

Our special relations were terminated several years ago, and he ought to speak impartially now.

Yours truly,

JACOB R. SHIPHERD.

General HURLBUT.

[Inclosure 5 in No. 25.]

Mr. Shipherd to Mr. Hurlbut.

NEW YORK,
10 *Spruce street, June* 2, 1881.

DEAR SIR: Our interview, on the 30th ultimo, while satisfactory in general terms, did not include so full a discussion of certain specifications as might have been had, and I supplement it on my side with a few observations upon which I shall be glad to hear your comment.

First. At the foundation of the whole business lies, in our judgment, the exceptional equity of this claim.

It was the European culture of this French chemist that did infinitely more than merely point out heaps of guano not previously localized. For one hundred and fifty years the descendants of Spanish freebooters and cloddish natives had looked upon all these heaps and seen nothing. The value in them would have remained unknown for one hundred and fifty years more if some such scientist as Cochet had not come from the outer world to find it and point it out, and to compel, by persistent demonstration the perception of its true character. If an angel from heaven had been sent with a revelation, the boon could not have been greater or more exceptional. It was to Peru at once a new creation and an outright gift.

Second. The absoluteness of the present right must not be vaguely considered.

The definition suggested in my draught of points for an agreement is not original, but is borrowed from the comment of * * * when this claim was brought to his * * notice.

When Cochet discovered guano he became, under the law, the immediate and absolute owner of one-third of all the guano in Peru, and no act or undertaking of the Peruvian people alone, thereafter, could divest him of that title. At his option and that of his representatives it may either be claimed that his right was to one-third of each separate deposit, or was such that more than two-thirds of the total having been already removed, his right is absolute to every ounce now remaining. Whichever way the claim is put, the right to seize and hold what now remains must be admitted to be sole, supreme, and indisputable.

Third. Against a right so lawful, so equitable, so absolute, no defense can be admissible. If Peru is poor it is not Cochet's fault. He has already given her $1,200,000,000, which she has chosen to squander. If her bondholders have relied on guano that was Cochet's and not Peru's, that is merely a case of mistake in title. If Chili has exhausted herself in the endeavor to humble Peruvian pride, such exhaustion discloses no reason why Cochet should pay her bills. The fact that Cochet, as discoverer, was entitled to one-third, and the declaration that he was discoverer were facts published to all the world by Peru herself, and of facts so important and thus published all the world was bound to take notice. No whine of hardship can be listened to now.

Fourth. What consideration may have passed between successive owners of this claim in the chain, is, of course, immaterial also, provided they have been legal considerations. To the owners for whom the United States Government will speak, if it speaks at all, the cost will not be less than $100,000,000, and that is enough. If earlier sales were for smaller sums, it was only because Peru had denied justice until all hopes of justice had expired. The judicial view is the only just view.

Fifth. The owners of this claim have no other forum than the international, and in that they see only their own government sitting to judge. The President and his constitutional advisers will hear the cause and decree the justice so long denied by the debtor, and will easily enough enforce whatever they decree.

Sixth. To simplify the situation by removing all issue, we propose the agreement with Peru. If she were strong she would, of course, resist, and make another Landrean record to blister the pages of history, but—

> "When the devil was sick
> The devil a monk would be."

And at the moment when the choice must lie between Chilian robbery and the comfortable payment of an admitted debt, even Peru may choose to pay. It is certain that we can make her choose it with eagerness, and so choose it now that she cannot hereafter repudiate. *This is probably the first hour since Cochet's rights came into being when they could practically be enforced.*

Seventh. If Peru solemnly confesses judgment in the premises she confesses it under her own law of priority, *a law made expressly for foreign creditors of the State*, and published as such, and the international forum which may undertake to enforce this claim cannot choose but stand on that law. If, then, the only defendant is estopped and concluded, can third parties be allowed to intervene to defeat the plaintiff's admitted and adjudged rights?

Eighth. As to Chili, certainly she cannot, even by absorbing Peru, acquire any *greater* rights than Peru. What title has she then to consideration? * * * * Comment upon this point was: "If Chili attempts to resist Cochet's demand for his own, she does but make herself immediately and directly liable for the whole debt, as for a tortious detention."

Ninth. Thus far, and primarily of the absolute right.

If the foregoing suggestions are within the facts, it results:

1. That the United States Government has now the clear right as against Peru, Chili, and all the world to intervene peremptorily to adjust all questions now pending at Lima.

2. That it is its duty so to intervene, because it alone can decree and enforce justice in the premises.

Tenth. There remain then, as always, the no less important questions of expediency and detail, and concerning these it is not necessary to speak at the moment with entire confidence in detail, because advantage may be taken and concessions must be made in the face of the facts which will change from day to day. Expediency is, after all, in sound diplomacy, only another name for exact justice—the justice due at the moment to all the interests involved—and it would be premature to decree finally before all the parties have been finally heard. Certain general rules and certain stable facts, however, may be safely considered in advance. Thus:

First. Nothing in the present situation need delay a general notification to all concerned that the United States must deem any arrangement to which it is not a controlling party provisional only, and subject to revision at the pleasure of the United States.

Second. The supremacy of the United States in the premises being first acknowledged, concession in detail may be promised—subject to the limitations of equity.

Third. The intervention of the United States, if based exclusively upon the property, rights of its citizens, involves no chance of political complications present or future, and must command the unqualified respect of all governments.

Fourth. No opportunity for an intervention so safe, so important, and so influential, perhaps, has heretofore occurred in our history, and no administration so favorably situated for moving in like premises has heretofore existed.

You will, I think, agree with me also that no President, within the memory of men now living, has sat at the head of the government less likely to neglect his official duty on the one hand, or to give way to mere zeal on the other.

Fifth. No need exists to furnish American money to either Chili or Peru. English and French merchants and bankers are already preparing to make large advances against guano and nitrate to be consigned. American merchants and bankers would gladly enough do likewise if only permitted.

If it is expedient to buy Chili off with $10,000,000, $20,000,000, or any other sum, there will not be the slightest difficulty in arranging the advances from either New York, Paris, or London, upon a purely customary commercial basis. As recently as last January $5,000,000 were placed in a bank in this city by a few American capitalists to be advanced to Peru in the midst of the war against no better security than President Piérola's agreement to consign guano, and this money was only withdrawn when the owners of Cochet's claim exhibited it and gave notice that they would attach every cargo that should arrive.

Sixth. If English, French, and American merchants are content to advance upon Peruvian and Chilian promises, it needs no saying how much more readily and liberally they would advance upon contracts with the Peruvian company, backed by the United States Government. Money would be thrust upon us in excess of all possible uses.

The third topic is that which concerns the *personnel* of the Peruvian company, and as I intimated to you the utmost frankness is recognized to be the government's due.

First. The claim was first purchased of Cochet's sole heir by an American merchant long resident at Lima, who discovered it very much as Cochet discovered guano, and who is entitled to like credit and reward, however liberal.

He sold interests to friends in the United States, who now unite with him in conveying to my clients. These clients, at the proper time, will cause such conveyance to be made for their account directly to the Peruvian company.

Second. One of the most valuable charters ever created in this country has been secured, and the transfer to my clients will probably be made within twenty days.

Third. My clients are not so well known that their names could be of special service, and for this reason they prefer to remain temporarily anonymous. Their identity will appear in due course.

Fourth. I have been intrusted with ample discretion in the matter of organization, and my only instructions are:

1. To make the executive worthy of the interest involved.

2. To make it absolutely satisfactory to the Executive of the United States.

These instructions will control me.

Fifth. You will perceive at once how easy my task is. I have no stock to float. I have no popular interest to awaken. I have, practically, no money to raise, and, especially, I have no bonds to market. I have only to seek the counsel of the wisest statesmen and financiers of the country and to avail myself of the definitive suggestions of * * * and under such advice to bring together, perhaps, one hundred stockholders, who shall choose from their own number a body of trustees and executive officers competent to administer the guano deposits and the nitrate beds upon an ordinary commercial basis, and out of the proceeds of sales to provide for all the creditors of Peru and the Peruvian Government itself, if necessary.

Sixth. Whether I am not myself overtasked by this trust the event alone can determine. What the probabilities are those who know my record can, perhaps, advise. If I am directly questioned, I may answer briefly that for twenty years I have been a successful organizer under conditions never so favorable as these. In the midst of the war I organized and administered the Freedmen's Aid Work in the Northwest and Southwest, covering fifteen States, and then consolidated the dozen organizations of the country into one, and administered the whole. When banking at Chicago and New York, I introduced western town and county bonds to an eastern market and made them popular by millions where they had been unknown or only distrusted. In 1871 I established at Frankfort-on-the-Main—then the investment center of Europe—the first American banking house opened there, and upon a then declining market sold $20,000,000 of new American railway securities in a few months.

Seventh. Among the representative gentlemen with whom I am already or shall soon be in confidential negotiation in the premises, I may name such as these [here follows a list of forty-five names of persons or firms which are here omitted], and out of a list not less select and representative the organization will be exclusively made.

As I intimated to you, with a view to nationalizing the corporation, stock will be allotted to select lists of the leading capitalists in Boston, Hartford, Philadelphia, Baltimore, Cleveland, Cincinnati, Chicago, and St. Louis; such lists to be made under expert local advice, and each city to be represented in the direction; the board of trustees to consist of, say, 21 members.

The very best executive and administrative talent will be employed, both in New York and in Peru, and such relations with the governments of all the countries interested will be cultivated as shall tend above all else to unqualified confidence and respect.

Eighth. The controlling sentiment of the present proprietors is wholly in accord with all the suggestions you made. While taking advantage of the present opportunity to enforce the definitive recognition of an equitable indebtedness, every movement of the creditors after such recognition should be helpful and friendly, and only so; and so far from taking any advantage of the inferior legal status of other creditors, we are ready to deal more than liberally with every one. There is enough for all if there is a proper administration, and it is precisely a *proper administration* we undertake to provide.

There is no occasion therefore for any competition in the English or French syndicates of merchants or bondholders. We must consign guano and niter to England, and we may as well consign to Anthony Gibbs & Co., as to any other house. We must consign also to the Continent, and if Dreyfuss & Co. will make fair terms, we may as well consign to them as to others. These concessions not only make these important interests our allies, but render immediately available as our own money, all the advances these strong houses already propose to make, and whatever other advances can be used to advantage our New York consignees will provide instantly.

There is absolutely nothing to be done which will not do itself the moment the Washington government gives notice of its right to supremacy.

As this note concerns itself with explanations which I should be glad to have reach the President at an early day, I rely upon your permission to forward him a copy at once.

I shall be particularly obliged if you will use the utmost frankness in such comments and suggestions as may occur to you; above all else we desire to avoid mistakes, and not less to *do* well than to mean well.

I am, sir, your obedient servant,

JACOB R. SHIPHERD.

The Hon. S. A. HURLBUT,
United States Minister to Peru, Belvidere, Ill.

[Inclosure in No. 25.]

Mr. Shipherd to Mr. Hurlbut.

Personal.] AUGUST 19, 1881.

MY DEAR SIR: When the gentleman to whom the inclosed letter is addressed calls for it, please deliver to him with the letter all the printed inclosures except the one upon which I have written your own name. He is represented to me to be a person of

exceptional influence, intimately in the confidence of President Calderon. The letter concerns the documents, and the whole are expected to reach at once the Peruvian executive.

The progress in our case since your departure I will briefly outline.

By arrangement with the attorneys of the Landreau claim, we treat the two interests for present diplomatic purposes as one to a certain extent. The owners of the Cochet interest will, at the proper time, absorb the junior lien so as to protect the equities of the interests involved.

Among the present active attorneys of the Cochet interest are * * * (who has prepared a conclusive brief in support of all our demands), * * * who will probably be * * * colleague next year; * * * and others will be added in due course; and from these names you will safely draw your own inferences.

Not only have none of my expectations been disappointed so far—they have, as a whole, been far exceeded, and the horizon still widens.

You are concerned principally to know how we stand at * * * and I will enter first upon that topic.

After a preliminary conference between * * * and * * * I was telegraphed for, and I went on to Washington. [illegible] called for me, and we went, upon invitation, directly to [illegible]'s residence, where a most cordial greeting awaited us. The evening was occupied until near midnight and the next forenoon as well. All the phases of the two claims were carefully discussed, and from first to last, upon the unqualified postulate that the United States must protect fully all equitable rights of American citizens wherever vested.

At the close I was asked to state my immediate wishes, and replied, substantially, as follows:

"It seems to me that Landreau's claim must be deemed adjudicated by Congress and enforced accordingly.

"The final proofs in the Cochet case are not yet quite in technical form, and until they are no technical examination of the case can be made by the Department. Moreover, as to Cochet's interests, we have as yet no grievance to report, and may never have any."

[Before you will clearly understand the points next made you will need to read the inclosed pamphlet, upon which I have written your name, a translated reprint from the original Spanish copy in our possession.]

I continued:

"There is no evidence that any issue was ever raised by Cochet not shown in his pamphlet, and by that it appears that he raised two only—the one involving his right to be declared the true discoverer of guano, and the other concerning a special discovery in the treatment of nitrate bases. Of these the first was overwhelmingly adjudged in his favor, and upon that adjudication our case now rests; with the other, which remains undecided, we have no concern.

"If Cochet was the discoverer of guano, his discovery, as * * * observed, vested in him the title to one-third of all the guano in Peru, and he may, at his option, claim one-third of each heap, or any other equitable one-third of the total. This is not a claim, but a title as distinguished from a claim, and what descended to his lien, of whom we buy, was *property ipso facto*. For this property no demand has been denied, and presumably none will be. If, when the demand is made by legal and equitable American owners, a refusal follows, then, and not till then, will a conversion accrue, and then, and not till then, will an original wrong be committed: and this original wrong will be committed directly upon American citizens, whom it will then be the clear duty of their government to install in their property.

"But this is not quite all. It is notorious that Chili, Peru, and certain creditors of Peru, are at the very point of apportioning among themselves not only the guano, which is absolutely our property, but the only other available asset of Peru, the nitrate, also. If such appropriation were allowed, irreparable mischief might result.

"I therefore ask a preliminary injunction forbidding all progress in the direction of any such apportionment until the Landreau claim and the Cochet title are first properly recognized and provided for—the former paid as *res adjudicata*, and the latter allowed or fairly disproved."

The Secretary instantly responded, "That you will get, and I will make it my first business."

On the 2d instant, very soon after, by direction of the Secretary, I was advised that the identical instructions suggested had that day been sent you both by cable and by post, and that I might rely upon the *status quo* accordingly.

The inclosed letter to * * * is from an eminent friend of Peru, intimately known in executive circles alike at Lima and at Santiago, and, I believe, also at La Paz. He looks upon our overture as the great, the magnificent opportunity of Peru to retrieve all her sad past; and that you may well understand his view of the case, I have gained permission to add to these inclosures a (English) copy of the more important parts of his dispatch—these of course for your eye only.

I ought, perhaps, to use informal frankness concerning * * * , Mr. Calderon's confidential agent here. His principal attention has been openly devoted to forwarding the views of a French syndicate, of which Dreyfuss is the head, and a malodorous Cuban by the name of Suarez (he went out in the steamer with you, I am told) is the ostensible agent. The association (and I do not get this at second-hand) has materially lessened * * * influence in Washington, and as Dreyfuss is synonymous with Piérola, you will need no farther hint.

You perceive then that our programme, as approved, unqualifiedly by * * * is:

1. Unqualified demand for payment of the Landreau claim.

2. Proper attention to the demand about to be made for Cochet's property.

3. Peremptory stay of all negotiations touching the cession of guano, or nitrate, or territory, pending final adjustment of these American interests.

I rely upon your good opinion of us to spare us the need of saying what once for all I beg you to understand, that we address ourselves to you as minister only, and neither ask nor wish you to take any attitude toward these claims other than such as your official instructions shall authorize and require. We do confide in your patriotism and love of fair dealing to push with exceptional vigor if necessary and to their full logical limit the decisive instructions received, and to leave no government and no citizen in doubt that the United States is in dead earnest in the premises, and such vigor you may be sure, will be as distinctly and as gratefully appreciated by our company as by the Washington Government.

All that need be said under this head is summed up in the assurance that we address ourselves to you in exactly the same manner in which we are welcomed by * * * himself; we supply to you the identical information supplied to him, and shall be more than content if you as heartily stand for us at the front as he stands for us at headquarters.

If you will be so good as to advise me of the safe receipt of this, and the delivery of the inclosures to * * * please see that they are placed only in his own hand, and will favor me with such suggestions as may occur to you, the courtesy will be duly appreciated.

I remain, dear sir, very truly, yours,

JACOB R. SHIPHERD.

[Inclosure in No. —]

Endorsement: * * * *to* * * * * * *sent me by Mr. Shipherd.*

Private copy.]

NEW YORK, *August* 20, 1881.

MY DEAR FRIEND: On presenting the inclosed note to his excellency the American minister, you will receive a set of four printed documents, two of them bound pamphlets. These, as you will see, are all private and confidential copies of papers, inaccessible to the public. I have been fortunate enough to obtain them, and to procure them to be sent for entire safety under seal to the American legation.

These papers hold the key to the one happy solution of all the troubles of Peru which yet remains possible, and I count myself the happiest of men that it is my privilege to place them within the reach of the Peruvian executive.

If the scheme now offered had been made in heaven and let down by angels, as was the sheet sent down to Saint Peter, it could not have more perfectly provided for all the present woes of unhappy Peru.

After carefully examining it and adding to what you find printed, the facts which I shall state in this letter, all of which came to me directly and officially from original sources and may be implicitly relied on, you will see what an opportunity pitiful heaven has at last sent.

These are the leading historical facts:

1. Cochet was the true and first and sole discoverer of the merchantable value of guano. But for him those vast heaps, more precious than all the gold and silver in the Cordilleras, might have lain dead and neglected to this day.

The sole intent of the decree of 1833 was to encourage persons to discover to the state sources of wealth within itself, unknown before; all other discoveries combined made since that day have not brought to the republic one-fourth the fresh wealth which has come through Cochet; if he be not entitled to the one-third then should no merit ever find reward. The whole civilized world with one voice will declare this.

2. Happily, indeed, his right has not only never been denied by Peru, but has always been admitted, and was solemnly adjudicated by the government in the report of the commissioners of premiums, as printed on page 13 of the pamphlet I send you, entitled "Truth Demonstrated and Calumny Defeated." See, also, the references upon page 43 of the Prospectus of the Peruvian Company.

It is only necessary, therefore, in order to make perfect use of the present opportunity, that the executive should be true to itself and to its own existing record, and recognize facts which it is impossible for any one to deny. The way is easy, plain, and most honorable.

3. The only dispute Cochet ever had with the government, as shown by his own pamphlet, was over his *nitrate* discovery, which seems not to have been appreciated, and which is no longer a living question. If an agreement as to the nitrate process could have been reached, he would immediately have received not only the *prize* awarded him as the discoverer of guano, but necessarily also, his one-third in full and in due course. Unhappily for himself, most happily now for Peru, he would yield nothing, and returned to France and died a pauper.

4. This stubbornness of the great discoverer, and the fact that his only heir, a natural son, Gelacio, born in Lima, was a mere child, and ignorant of his rights till an American brought them to his knowledge less than three years ago, explain in a moment how Providence held all the conditions silent for a generation to open them at this critical moment for Peru's salvation.

5. You will again note the special interposition of Providence. Although this great right has lain still so long, nothing of its vitality has been lost. Cochet was solemnly adjudged to be "the true discoverer," and thereupon, if not even earlier, he became, in the language of * * *, the first lawyer in the United States,—"Cochet became immediately the owner in fee absolute of one-third of all the guano in Peru, *known* and *unknown*, for being the discoverer of its *value* his right was inseparable from the thing wherever found, and that ownership could never be extinguished or limited, save by his own act."

6. This *ownership*, which, as you see, is no mere *claim*, but an adjudicated and undisputed title, had no value to the helpless heir—ignorant and penniless and unknown. American capitalists purchased it, however, and are now the owners of every pound of guano left in Peru, and of the money value of so much as has been sold in excess of the two-thirds belonging to the republic.

Their purchase is as valid as if they had bought land and buildings, and their government has, of course, the right and the duty to see them protected, and you may be sure it will thoroughly perform that duty and unhesitatingly exercise that right.

7. No demand has yet been made upon the Peruvian Government for the possession of this guano, but such a demand will be made in a few weeks by a commissioner to be sent out.

If the executive shall accede to the demand and freely consent that the owners of this great property may take it at once without the hinderance of Peru, then these owners must demand it of the Chilians, and if the Chilians detain it for an hour they will make themselves liable instantly for a tortious conversion, and you may be sure the Washington Government will make short work with them. Upon this point the owners of this great interest have long ago received the most sweeping assurances directly from the American Executive.

8. Now we may close the circuit. To consent that this American corporation shall take as a right the identical guano and nitrate which otherwise Chili will take anyhow, is all that is necessary to relieve Peru instantly and permanently by taking shelter under the broad wing of the United States and compelling Chili to settle all the rest with the United States.

9. If Peru—I do not admit the possibility—should refuse to deliver the guano demanded, and to pay at once the value of so much as is missing, then this refusal would be an original denial of justice directly to American citizens, and their government would then enforce their right against Peru herself, and sad indeed would be her condition then.

10. As to the Landreau claim, it, as you see, has been fully adjudicated by the American Congress, and the American minister at Lima has been peremptorily instructed to give notice that it can no longer be discussed, but must be paid.

11. The scheme of the conservative owners of Cochet's rights is, as you will see by the proposed treaty, the substitution of an insolvent assignment to creditors for the cruel humiliations of war.

The Cochet title has unquestionable priority, and, besides, he is the largest creditor. There is, therefore, every reason why his representatives should demand the control of the assets; and they show a handsome liberality in their offer to provide for all other creditors, including Chili, whom the United States is willing to recognize as a creditor for a reasonable war indemnity. This Peruvian Company, then, itself the chief and the first creditor, will take the guano and the nitrate in trust only for the benefit of all the creditors. [I may say to you privately that the company will protect you from any trouble with the Landreau interest, and that you may treat the two interests as one.] The company, then, being a creditor for, say, $1,000,000,000, is willing to restrict its preference to 6 per cent. upon *one-half* the sum (say, $30,000,000 annually), and out of the remainder of the income to create a sinking fund to retire all

other indebtedness. It is ready to issue its scrip at par for all Peruvian paper, and thus to restore the government to practical solvency at once.

12. More than this, the manager of the syndicate, who will be the permanent president of the company, and who, with his immediate friends, will permanently control the entire policy of the company, is known to me and to Consul Tracy, and we have undoubted assurance that from the first the company will be prepared to render every assistance to the Peruvian executive which may be necessary to put it upon a proper footing in the first months of a new beginning. The owners of the company are among the most solid, safe, and conservative of men, and have framed a policy to last at least fifty years, and to secure the largest prosperity in the future, resting upon the most secure foundations of order, industry, commerce, and peace. They have commercial plans extending far beyond the limits of Peru. Their ambition is to make Peru the model South American Republic, and to repeat there all the best commercial methods known in this country. They are gentlemen of the purest character and of the most honorable ideals, and will admit to their circle none of any less honorable type.

13. I may say farther concerning these gentlemen, whose identity is known to me in detail, that they include the nearest personal and political friends of the Executive, and not only of the present Executive, but of the Vice-President as well, who will succeed to the Presidency in case of President Garfield's death. They also include representatives of the most powerful money corporations in the country, and you may rest absolutely assured that in dealing with them the Peruvian executive is for all practical purposes dealing directly with the power and the honesty of the United States itself. Once established in their great property in Peru they would be protected if necessary by the entire power of their government, no matter who the acting Executive might happen to be. For the commercial enterprise of this nation has now become as powerful as that of England once was, but most happily without any of that selfish greed which has made England the foe of her own colonies, and hereafter American property interests in foreign lands will be thoroughly taken care of.

14. The people of the United States, as we have seen in the matter of the proposed Panama Canal, are determined that no European government shall take foothold in this hemisphere, but they have no ambition for themselves except an honorable commercial ambition. They want no more territory, nor do they wish to meddle at all in the political affairs of sister republics. They are willing, as in the present instance, to forbid the victor an extreme cruelty upon the vanquished, and for the rest their only desire is to see every republic cultivate the arts of peace, and become happy and prosperous within its own borders.

15. I am able to tell you, on the highest authority, that the Department of State has long ago notified Chili in the plainest words that she will not be permitted to take any territory from either Peru or Bolivia, except it be found that there is no other possible way of securing her proper war indemnity. I am able, on the same authority, to tell you that she (Chili) has been notified that American citizens have filed at Washington their claim as owners of all the guano now in Peru, and that for every pound she takes she must hereafter account to the United States, and that she has also been notified that no cession of territory or property by Peru will be permitted until the Cochet and Landreau claims have first been provided for.

You perceive, therefore, that already Peru has a great friend at her back, and that henceforth it is only necessary for her to lean upon that friend to be wholly saved.

16. More than this, there is help for Bolivia, too.

The owners of the Cochet rights are clear-eyed men who see far into the future. Their first interest—I mean now their *own* first interest—is to see Peru restored to all prosperity. While they will not meddle in any quarrel not their own, they cannot allow any terms to be inserted into the treaty of peace which will so cripple Peru or Bolivia as to affect their own commercial plans, and they will not allow any such terms to be inserted. Upon this you may safely rely.

They will open the guano market and the nitrate market all over the world as it has never been opened yet. They will do a business of $100,000,000 a year when once their plans are perfected, and will open the now dead silver and quicksilver mines also, if properly encouraged, and will pay off all these debts that now look so hopeless easily enough, and leave Peru richer by far than she has ever yet been. All this is easy enough to American enterprise.

They are shrewd enough to see that they should have the Bolivian nitrate too, and if Bolivia will treat them fairly she too can be fully taken care of—by leasing under a proper commercial treaty all her nitrate territory to the Peruvian Company, which will then work the whole as one interest, and pay Bolivia a regular dividend out of the annual profits.

17. If you have noticed how such capitalists as these are now transforming Mexico, covering it with railroads and canals, and reopening its dead gold and silver and copper mines, you will see the example which may now be repeated in Peru.

At the head of the Mexican enterprise is General Grant, and with him are his

friends. The managers of the Peruvian Company are not one whit less able in capital. Out of the midnight may spring at once the clear dawn.

18. * * * I beg you, therefore, to acquaint his excellency the President at once with all the foregoing facts, that he may be able to act with promptitude and intelligence.

19. From the first Mr. Shipherd has sought to reach, * * * but always in vain. He has, therefore, freely consulted * * * but * * * could only answer for himself, and could not of course bring anything to the notice of the Executive. I have, in the exigency, volunteered to place the facts within the President's reach, and having done so my duty is finished. In answer to questions directly asked me, I have not hesitated to express the belief that most eagerly would Peru embrace this great opportunity. I shall be compensated for this long letter if I can have immediate official assurance that I have not given bad advice.

* * * * * * *

The idea of a treaty with Bolivia is a recent one; a draft of outline is now being made, and when printed a copy will be sent you.

This is a long letter, but not so long as its theme, and if it opens a door of escape for unhappy Peru I shall be glad indeed that it was my privilege to write it. * * *

Mr. Shipherd to Mr. Elmore.

NEW YORK, *August* 25, 1881.

SIR: I have the honor to be charged with the duty of bringing to the official notice of your excellency the fact that one-third of all the guano lying in original deposits within the territory of Peru on the first day of January, 1841, is now, and for some time past has been, the property of Franklin Stewart and others, who are American citizens, and my clients, and whose title has duly descended from Alexander Cochet, duly adjudged to have been the first and true discoverer of guano in Peru, and in whom the fee absolute to such one-third was duly vested by the republic by operation of law.

And hereupon I am further charged to demand, as I now do, in behalf of these owners, due recognition by the existing government of all the rights of my clients in the premises as such owners, and the formal release in their favor of all custody, control, claim, and assertion contrary or adverse to the title herein asserted, so far as the Government and people of Peru are or may be concerned.

And hereupon I am further charged to demand, as I now do, payment in full, with interest from the date of removal for so much of the property hereby demanded as may not be found in the place of original deposit when the Government of Peru shall attest the release hereinabove demanded.

And hereupon I am further charged to protest, as I now do, against any and all negotiations and acts tending towards the cession, sale, lease, hypothecation, or other incumbrance or disposition of any property held, owned, or controlled by Peru pending the full satisfaction of the demands herein made and intended.

A copy of this notice and demand will be delivered to the honorable the Secretary of State at Washington, and a duplicate is herewith inclosed for transmission, at your official discretion, to His Excellency the President of Peru.

I shall be pleased to supply to His Excellency the President of Peru, upon due request, any further information appropriate to the premises, including all necessary evidences of the title herein asserted, and to designate a commissioner duly authorized to represent the owners in the immediate custody and control of the property hereby demanded.

In conclusion, I beg your excellency to receive, &c.,

JACOB R. SHIPHERD,
Attorney for Franklin Stewart and others, as aforesaid.

His Excellency the Hon. J. F. ELMORE,
Minister of Peru, Resident at Washington, D. C.

Mr. Shipherd to Mr. Martinez.

NEW YORK, *August* 26, 1881.

SIR: I have the honor to inclose herewith a copy of a communication heretofore addressed and delivered to his excellency the minister of Peru, resident at Washington. I add also another copy of the inclosure and a copy of this note to be forwarded at your official discretion, to His Excellency the President of Chili. A further copy of this note will be delivered to the honorable the Secretary of State at Washington.

The immediate and sincerely friendly purpose of this note is to spare the Government of Chili the serious embarrassment which would necessarily follow if the representatives of Chili now in Peru should continue to deal, however inadvertently, with the property of citizens of the United States, as if it were the property of Peru.

And hereupon I am authorized to assure your excellency in no doubtful terms of the readiness of my clients to recognize every act involved in the actual status resulting under the rules of war among civilized nations, from the campaign of Chili now closing, reserving only those indestructible rights of neutrals which even war must recognize and protect.

It is believed that so far from embarrassing or delaying the conclusion of a peace honorable alike to victor and vanquished, and just to all interests to be affected by the adjustment so much desired, and as yet so vainly sought, the interests which I have the honor to represent, may be so circumstanced as to afford to all parties an immediate and final solution of all urgent problems, and especially may afford the most efficient and substantial guarantees of a long period of peace and prosperity in the immediate future, that peace which tends only to industry and internal content, and indisposes to intrigue and to war.

It may be proper to prevent possible indistinctness, that I should specifically point out the necessary meanings of this communication as to the past as well as to the future, and with your excellency's indulgence I therefore proceed to observe—

First. That this notice of title is unqualified, and must be understood to imply whatever may be implied by an unqualified notice and demand in like premises.

Second. That Chili must account to the American owners for whatever guano she has removed or suffered to be removed from original deposits in Peru at any time since January 1, 1841.

Third. That Chili must, on and after the day of the delivery of this note and its inclosures to your excellency, recognize and protect the title herein asserted throughout the territory of Peru, so long as the military forces of Chili shall continue therein.

Fourth. That for any failure or refusal hereafter to recognize and to protect the title herein asserted, Chili must be held liable, and the aggrieved will then be necessarily remitted to the protection of their own government.

Fifth. It should not be overlooked that so long as the military forces of Chili continue in Peru, the undersigned must require of them directly, and must hold the Government of Chili directly responsible for all the protection, relief, and assistance, which but for such occupation the undersigned might properly demand of the Government of Peru; and express notice of such requirement is hereby given, together with like notice that for any detention or appropriation of or injury to the property of Peru, the debtor of the clients of the undersigned, after the delivery to your excellency of this notice, and pending the full satisfaction of the demands comprised in the memoranda herewith inclosed, the undersigned must and will hold the Government of Chili directly liable in full.

Of course I hold myself ready to supply to His Excellency the President of Chili, upon due request, all further information appropriate to the premises, including all necessary evidences of the title herein asserted, and to designate a commissioner, duly authorized to represent the owners in the immediate custody and control of the property herein demanded.

Not for a moment doubting the sincere readiness of the Government and people of Chili at all times to do justice, and fully confiding in the early and amicable adjustment of all issues concerning my clients,

I avail myself, &c.,

JACOB R. SHIPHERD,
Attorney, &c.

His Excellency. Hon. MARTIAL MARTINEZ,
Envoy Extraordinary and Minister Plenipotentiary of Chili, at Washington.

Mr. Shipherd to Mr. Hurlbut.

AUGUST 30, 1881.

MY DEAR SIR: I sent you a very important parcel by the last steamer, and herewith duplicate it throughout, to cover possible mischances of transportation.

At this writing, the President having passed, on the 26th and 27th, an exceedingly grave crisis, seems to be on the sure road to recovery. You will heartily share the general joy.

Our enterprise makes continuous progress, and I will keep you advised of all developments of interest. Of our commissioners plenipotentiary, one has been chosen and negotiations for the other are now pending. We shall always be glad to receive your suggestions, and shall reciprocate all courtesies shown.

Yours, truly,

J. R. SHIPHERD.

Mr. Shipherd to Mr. Hurlbut.

SEPTEMBER 6, 1881.

MY DEAR SIR: I must go away for a few days, and will leave this for my son to mail before the next steamer's mail closes.

The letters in the Herald and the World, received by last steamer, disclose the hearty vigor with which you have begun your great work, and you may be sure that vigor is appreciated.

I shall try to write at least briefly by every steamer to keep you advised of progress here.

We shall try to get our commissioners off during October, and they are being selected with very great care and under the constant advice of the Executive with reference to entire harmony with the government and its representatives, particularly yourself.

With this will be inclosed copies of drafts or demands on Peru and Chili, which will be, after final corrections, duly engrossed (and also printed), and personally served, say towards the end of this month. I should be glad if we could have the benefit of your advice in the premises, but it is thought better to deliver these at once; and some time before our commissioners sail you will greatly aid us, and in the reflex aid your own negotiations by frankly and fully advising us by post, pending the arrival of our commissioners, of whatever may aid us in shaping our plans and settling a policy. Of one thing you may, however, be assured once for all, and that is that from first to last we shall neither propose nor favor any measure which does not, above all else, tend to the "*greatest good of the greatest number.*" The more worthy your own plans shall be of our great government, the heartier you will find our co-operation.

Faithfully, yours,

JACOB R. SHIPHERD.

Mr. Shipherd to Mr. Hurlbut.

SEPTEMBER 19, 1881.

MY DEAR SIR: On the 17th * * * called upon me, introduced by a * * * who is my friend, and we had a long and very satisfactory conference.

He informed me that he had some weeks since forwarded to President Calderon the papers I sent him, the same sent * * * and asked for duplicates. He explained to me the plans of the Société Industriale (in which he was deeply interested), and responded cordially to my suggestion that if our plans should succeed we would make a liberal co-operative arrangement with the société as a party legitimately entitled to fair recognition. He discussed the scheme with courteous deference, as if it were in principle settled, and only methods of giving it effect remained to be considered. He asked somewhat eagerly whether Peru might rely upon American protection in carrying out the agreement with us after she had made it, and seemed to have no anxiety on any other point; indeed, he said, "If *that* is assured all the rest will follow as smoothly as the flowing of a stream."

He surprised me with the statement that Dreyfuss not only is not in the société syndicate, but is hostile to it. I had heard the other statement always. Do you know what the truth is?

He welcomed my promise of a formal demand, to be served upon him, say, within fifteen days, which will initiate direct and decisive negotiations, and volunteered the offer to furnish me copies of the société's contract with the government in 1880. Nothing could have been more satisfactory than his entire manner and discourse. What its real significance and importance may turn out to be, of course we must wait for the future to disclose.

We note Piérola's resignation, but presume it to be merely a preliminary to his formal re-election, or election rather, to the presidency by his congress.

I wish you would inform me whether President Calderon has authority to conclude a treaty with us in the vacation of Congress?

Since my writing by the last steamer, I have been necessarily absent from the city, and our internal negotiations have been consequently suspended. I may have more news for you by the next steamer.

I should greatly prize your advice, and daily regret the distance that parts us. Do not fail to write with the utmost frankness and fullness, and by every mail, if practicable. If I can be of any service to you personally in any way, do not hesitate to command me.

As I write, the President is sinking again, and the gravest apprehensions prevail.

Faithfully, yours,

JACOB R. SHIPHERD.

Mr. Shipherd to Mr. Hurlbut.

SEPTEMBER 28, 1881.

MY DEAR SIR: Since my last the great change has come, and General Garfield's administration, so full of promise, is no more.

The Senate is to meet October 18, and the air is full of suggestions of an entirely new Cabinet. It is understood that General Grant advises that Mr. Fish be recalled to the control of the Department of State, and that this advice is likely to prevail. Of course the instructions you have already received will continue in force until specifically modified, and it shall be our care to prevent such modification. The nearest friends of the new President are, or will be, among our stockholders, and our original plan to offer General Grant himself a prominent seat in the direction will probably be carried out. Then, if Peru is wise enough to co-operate with us, I think no administration will refuse us the aid necessary to compel the acquiescence of Chili.

Until towards the middle of October I cannot receive your acknowledgment of my first message (August 20), but thereafter I shall hope to hear fully from you by every steamer. It seems to me I cannot be widely mistaken in assuming that such facts as I have been sending will be helpful and welcome to you; it is at least equally certain that similar advices from your office will be greatly useful here.

I may as well be frank enough to say farther that the intelligence and vigor with which you have begun your work fulfill our best hopes, and that if there is a change in the head of the Department of State we shall ask that no change be made at Lima.

Negotiations are pending with a leading Republican journal which, if concluded, will make it our especial organ. It has no Peruvian or Chilian correspondence. Either with this journal, or with some other equally good, and of the very first rank, we shall conclude arrangements, and these arrangements will entitle us to publish our own letters from Lima and Santiago. Can you retain for us competent men? The letters must be sent to *me*, and, after revision, I will publish them. The only satisfactory letter I have seen in the World is the one dated August 10; those in the Herald are of very ordinary quality, and there seem to be no others.

As soon as we are fairly afloat, within range of the public eye, there will be a keen appetite and a general market for Peruvian and Chilian news, and not merely gossippy, but able and comprehensive accounts should come by every mail. I have been twenty years in practical journalism, and know how such correspondence can be used. If you can secure competent men I wish you would do so; there shall be no scrimping of the pay.

I write to-day because I happen to have a leisure moment. If anything important develops before the mail closes I will write again.

Very faithfully, yours,

JACOB R. SHIPHERD.

No. 370.

Mr. Hurlbut to Mr. Blaine.

No. 26.] LEGATION OF THE UNITED STATES,
Lima, Peru, November 9, 1881. (Received December 3.)

SIR: The event of the week has been the arrest of President Calderon and Mr. Galvez, his minister for foreign affairs, by the Chilian military authorities.

You have been advised that on the 28th September Admiral Lynch, by order of that date, suppressed the Calderon government, and forbade the exercise of any authority by them.

Mr. Calderon has been quite careful to make no ostentatious display, but has never ceased to perform acts of authority. On the 4th of this month he caused a circular to be sent by his secretary, Mr. Galvez, to the diplomatic body of this city, giving them information of Montero's adhesion to his government. This act is said to be the provocation to this singular violence by Chili.

I am informed, on good authority, that the arrest was advised against

by Altamirano and Novoa, but peremptorily ordered from Santiago. It was effected about 2 o'clock on Sunday morning, the 6th, with a good deal of unnecessary military display. A battalion was placed in the street in rear of his house and the entire block closely guarded. A company was thrown out across the front of this legation, which is only three doors from Mr. Calderon's house, probably to prevent his seeking asylum here. Mr. Calderon, however, had no idea of attempting escape, and was found in his house. He and Mr. Galvez were at once taken to Callao and put on board the iron-clad Cochrane, which sailed on Monday evening. Their destination is said to be Santiago.

The real purpose of this arrest undoubtedly was to check the strong movement in Peru toward the support of the constitutional government, and to continue the state of anarchy and confusion as a ground for Chilian occupation. It is also quite possible that it was intended to be understood by the people at large as the reply of Chili to the known support of that government by the United States. This purpose will of course be disavowed, but there is no doubt in my mind that it exists, nor that it is so understood by every one here.

The policy of Chili is transparent, and is in fact avowed in a semi-official way by their organ in this city, La Situacion. It is to hold this country under armed occupation until they can find or create some one with whom they can make peace on their own terms. The Calderon government, supported by nearly the whole of Peru, was rapidly acquiring a dignity and position which must have been recognized by all nations, but it was known that it would not submit to mere dictation of terms of peace. Therefore, by the use of pure force, the head of that government has been removed, and secret negotiations opened with Piérola.

I notified you of the fact of the arrest by telegraph of 7th.

As soon as Montero informs me that he has accepted and entered on the duties of President *ad interim*, as provided by law, I shall formally and publicly recognize his authority during Calderon's disability.

I am exceedingly anxious for some specific action by the United States, which shall establish the limits beyond which Chili will not be suffered to go, and I very deeply regret that the reported condition of General Kilpatrick is such that he cannot be expected to be at all active in any way. He still continues his absolute silence so far as I am concerned, and although I write to him every week, I send him nothing which I am not perfectly willing should be read by the Chilian ministers, as I have reason to believe it is. I place no confidence in the people who are around him, and I know that, in his state of health, he can give no personal attention to anything.

I am, &c.,

S. A. HURLBUT.

No. 371.

Mr. Blaine to Mr. Hurlbut.

No. 17.] DEPARTMENT OF STATE,
Washington, November 17, 1881.

SIR: Your No. 12, in reference to the Cochet and Landreau claims, indicates a prudent and discreet course on your part. After the instruction in my No. 7, in regard to this subject, had been mailed I be-

came convinced that there was no need of even the preliminary inquiry, which I suggested in regard to the Cochet claim. There is no just ground whatever on which this government could intervene on behalf of it. In so far as there may be any basis for the claim at all, it originates in the demand of a native Peruvian against his government. If American citizens purchased an interest in such claim they purchased nothing more than the original claimant possessed. They did not and could not purchase the good offices of this government, and you are instructed not to extend them in the case of the Cochet claim. Your proposed course in regard to the Landreau claim is approved; but that claim must not, of course, be pressed in any manner that would seem to embarrass Peru in the hour of her great distress. Your previous instruction to use your good offices in procuring an adjudication of the Landreau claim was made in view of the possible fact—of which there was wide rumor—that numerous French and English claims were to be presented, in which event I was anxious that the resources of Peru should not be exhausted in the settlement of other claims to the prejudice and detriment of one belonging to an American citizen. You will still be guided by the spirit and intent of that instruction. The statements which you say were made to you by Mr. Jacob R. Shipherd are very extraordinary. It is in the first place extraordinary that he should have written to you at all, for I carefully advised him that ministers of the United States in foreign countries were not permitted to extend their good offices in aid of any claim unless so instructed by the Department of State. I repeatedly told him that any representations on behalf of the claims he was urging must be made at Lima by his own agents. His writing you was therefore an impropriety, and his attempting to instruct you as to what I had written you was as grotesquely absurd as the language he attributes to me. He simply makes the mistake common to a certain class of honest enthusiasts who imagine that the polite and patient listener is the author of their own extravagant fancies. I recognize several of the singular propositions imputed to me as having been made by Mr. Shipherd and not in any sense admitted or assented to by me. I told him in the three or four interviews which he sought with me that I could see no possible ground on which the United States Government could lend its good offices in aid of the Cochet claim. You will therefore pay no attention whatever to anything Mr. Shipherd may write you in regard to claims against the Government of Peru. You will, indeed, do well to return at once to the writers any letters you may receive relating to private claims, unless you first have the matter regularly referred to you by the Department of State. Such reference will never be made except in cases where in the judgment of the government there is a denial of justice to an American citizen. Legations of the United States in foreign countries must not be converted into agencies for the prosecution of private claims. Trusting to your sound discretion and prudent action in all matters of this character,

I am, &c.,

JAMES G. BLAINE.

No. 372.

Mr. Elmore to Mr. Blaine.

LEGATION OF PERU,
Washington, November 18, 1881. (Received November 18.)

SIR: When I had the honor to confer with your excellency on last Monday, 14th instant, I informed your excellency that I had telegraphic news of the adhesion of the Peruvian Admiral Montero to Señor Calderon's government, and also of the last and logical Chilian outrage, the arrest and taking to Chili of President Calderon and his secretary of state, Señor Galvez.

I have been waiting both for telegraphic advices and for the South Pacific mail (which has finally reached here to-day) in order to address to your excellency an exposé on the situation in Peru, which although so extraordinary and perhaps unique in history is not for that reason the less interesting.

I hope to hand my letter to your excellency to-morrow, when I shall again earnestly call your excellency's attention to a situation which has probably no other solution than the resolute intervention of your excellency's government in order to make constitutional government in Peru, and a lasting peace in South America, possible.

I have the honor to renew to your excellency the assurances of my highest and most distinguished consideration.

J. F. ELMORE.

No. 373.

Mr. Elmore to the President.

PERUVIAN LEGATION,
Washington, November 19, 1881. (Received ———.)

Mr. PRESIDENT: Although every foreign minister accredited to the chief of state enjoys the privilege of conferring with the sovereign or President upon the affairs of his own country, I have seldom asked for that honor, being, on principle, opposed to molesting the head of the nation, generally overburdened with too many cares and attentions. But it is not every day (if it ever occurred before in history) that when hostilities have ceased to exist, for nearly a year, the victorious government of one of the belligerents commits the stupendous outrage of taking and carrying off the recognized and unoffending President and secretary of state of the other belligerent. This, Mr. President, is what the Chilian Government has done with the President and the minister of foreign relations of Peru.

Such an event, and the complicated state of affairs in South America, authorize me, I think, and make it a solemn duty on my part, to request your excellency to grant me the high privilege of a short interview, when I wish to thank your excellency for all the good your excellency's government has done and is doing for my country, and also to personally explain some facts and events.

Your excellency would confer on me a lasting obligation by letting me know on what day and hour I may have the honor of calling upon your excellency.

I beg to offer to you, Mr. President, the assurances of my profound respect and most distinguished consideration.

J. F. ELMORE.

His Excellency President CHESTER A. ARTHUR,
Washington.

No. 374.

Mr. Blaine to Mr. Hurlbut.

No. 18.] DEPARTMENT OF STATE,
Washington, November 19, 1881.

SIR: On the 27th ultimo I sent you the following telegram: "Influence of your position must not be used in aid of Credit Industriel or any other financial or speculating association." On the 2d instant I received your reply in these words: "It has not been; it will not be." My reason for telegraphing you was the continual circulation of rumors that the aid of your legation was earnestly desired to promote the interest of the "Credit Industriel of France," an association which is making efforts to reorganize the finances of Peru. Agents of the Credit Industriel had visited the Department of State and ineffectually endeavored to enlist the interest of this government in their behalf. However trustworthy the Credit Industriel may be, I di l not consider it proper for the Department to have anything whatever to do with it. It is a foreign corporation, responsible to French law, and must seek its patronage and protection from France. At the same time it is no part of your duty to interfere with its negotiations with the Peruvian government. If it can be made an effective instrumentality to aid that unhappy country in its prostrate and helpless condition it would be ungenerous and unjust to obstruct its operations. Your duty is negative, and you will have fully complied with your instruction by simply abstaining from all connection with the association. I have another word of caution to give you. I presume that you will be asked by the agents or officers of the Peruvian Company of New York to lend your influence as United States minister to promote its interests. It would, of course, present to you the claim of an American organization composed of reputable citizens and entitled to your good offices where they may, with propriety, be extended. But you will specially avoid any advocacy of the claims of that or any other company or individual in the pursuit of personal ends or business enterprises. To a minister of your experience I need not point out the proper distinction between diplomatic good offices and personal advocacy. To extend all proper protection to American citizens, and to secure for them in any interests they may have a respectful hearing before the tribunals of the country to which you are accredited, and generally to aid them with information and advice, are among the imperative and grateful duties of a minister—duties which increase his usefulness and add to his respect, and duties which I have no doubt you will faithfully perform. To go beyond and assume the tone of advocacy, with its inevitable inference of personal interest and its possible suspicion of improper interest, will at once impair, if it does not utterly destroy, the acceptability and efficiency of a diplomatic representative. I recite these elementary grounds at the present time, because, if I am correctly advised, all manner of schemes are on foot at Lima for the reorganization of the disordered finances of Peru, and the interested parties are seeking, first of all, the countenance and indorsement of the American legation. You will exercise the utmost care in any step you may take, and if any occasion shall arise where the interposition of this government may aid in restoring the credit of Peru you will confer by telegraph with the Department, and you will take no important step without full and explicit instruction.

I am, &c.,

JAMES G. BLAINE.

No. 375.

Mr. Blaine to Mr. Hurlbut.

No. 19.] DEPARTMENT OF STATE,
Washington, November 22, 1881.

SIR: Your dispatches to No. 23, inclusive, have been received, and I learn with regret that a construction has been put upon your language and conduct indicating a policy of active intervention on the part of this government, beyond the scope of your instructions. As those instructions were clear and explicit, and as this department is in the possession of no information which would seem to require the withdrawal of the confidence reposed in you, I must consider this interpretation of your words and acts as the result of some strange and perhaps prejudiced misconception.

My only material for forming an opinion consists of your memorandum to Admiral Lynch, your letter to Señor Garcia, the secretary of General Piérola, and the convention with President Calderon, ceding a naval station to the United States. I would have preferred that you should hold no communication with Admiral Lynch on questions of a diplomatic character. He was present as a military commander of Chilian forces, and you were accredited to Peru. Nor do I conceive that Admiral Lynch, as the commander of the Chilian army of occupation, had any right to ask or receive any formal assurance from you as to the opinions of your government. The United States was represented in Chili by a properly accredited minister, and from his own government the admiral could and ought to have received any information which it was important for him to have. It was to be expected, and even desired, that frank and friendly relations should exist between you, but I cannot consider such confidential communication as justifying a formal appeal to your colleague in Chili, for the correction or criticism of your conduct. If there was anything in your proceedings in Peru to which the government of Chili could properly take exception, a direct representation to this government, through the Chilian minister here, was due, both to the government and to yourself.

Having said this, I must add that the language of the memorandum was capable of not unnatural construction. While you said nothing that may not fairly be misconsidered warranted by your instructions, you omitted to say with equal emphasis some things which your instructions supplied, and which would perhaps have relieved the sensitive apprehensions of the Chilian authorities. For, while the United States would unquestionably "regard with disfavor" the imperious annexation of Peruvian territory as the right of conquest, you were distinctly informed that this government could not refuse to recognize that such annexation might become a necessary condition in a final treaty of peace. And the main purpose of your effort was expected to be, not so much a protest against any possible annexation, as an attempt by friendly but unofficial communications with the Chilian authorities (with whom you were daily associated), to induce them to support the policy of giving to Peru, without the imposition of harsh and absolute conditions precedent, the opportunity to show that the rights and interests of Chili could be satisfied without such annexation. There is enough in your memorandum, if carefully considered, to indicate this purpose, and I only regret that you did not state it with a distinctness, and if necessary with a repetition, which would have made impossible anything but the most willful misconception.

As at present advised I must express disapproval of your letter to Señor Garcia, the secretary of General Piérola. I think that your proper course in reference to Garcia's communication would have been either entirely to ignore it as claiming an official character which you could not recognize, or, if you deemed that courtesy required a reply, to state that you were accredited to the Calderon government, and could, therefore, know no other, and that any communication which General Piérola thought it his duty or interest to make, must be made directly to the government at Washington. You had no responsibility in the matter, and it was injudicious to assume any. The recognition of the Calderon government had been duly considered and decided by your own government, and you were neither instructed nor expected to furnish General Piérola or the Peruvian public with the reasons for that action. The following language in your letter to Señor Garcia might well be misunderstood:

"Chili desires, and asks for Tarapacá, and will recognize the government which agrees to its cession. The Calderon government will not cede it. It remains to be seen whether that of Piérola will prove more pliable."

It might easily be supposed, by an excited public opinion on either side, that such language was intended to imply that the Government of the United States had recognized the government of Calderon because of its resolution not to cede Peruvian territory. No such motive has ever been declared by this government. The government of Calderon was recognized because we believed it to the interest of both Chili and Peru that some respectable authority should be established which could restore internal order, and initiate responsible negotiations for peace. We desired that the Peruvian Government should have a fair opportunity to obtain the best terms it could, and hoped that it would be able to satisfy the just demands of Chili without the painful sacrifice of the national territory, But we did not make, and never intended to make, any special result of the peace negotiations the basis of our recognition of the Calderon government. What was best, and what was possible for Peru to do, we were anxious to the extent of our power to aid her in doing, by the use of whatever influence or consideration we enjoyed with Chili. Further than that, the Government of the United States has, as yet, expressed neither opinion nor intention.

I must also express the dissatisfaction of the Department at your telegram to the minister of the United States near the Argentine Confederation, suggesting that a minister be sent by that government to Peru.

This would have been clearly without the sphere of your proper official action at any time, but as there then existed a serious difference between Chili and the Argentine Confederation, you might naturally have anticipated that such a recommendation would be considered by Chili as an effort to effect a political combination against her. The United States was not in search of alliances to support a hostile demonstration against Chili, and such an anxiety might well be deemed inconsistent with the professions of an impartial mediation.

As to the convention with regard to a naval station in the bay of Chimbote, I am of the opinion that although it is a desirable arrangement the time is not opportune. I would be very unwilling to ask such a concession under circumstances which would almost seem to impose upon Peru the necessity of compliance with our request, and I have no doubt that whenever Peru is relieved from present embarrassments she would cheerfully grant any facilities which our naval or commercial interests might require. Nor in the present excited condition of public opinion in Chili would I be willing to afford to evil-disposed persons the

opportunity to intimate that the United States contemplated the establishment of a naval rendezvous in the neighborhood of either Peru or Chili. The very natural and innocent convenience which we require might be misunderstood or misrepresented, and as our sole purpose is to be allowed, in a spirit of the most impartial friendship, to act as mediator between these two powers, I would prefer at present to ask no favors of the one and to excite no possible apprehension in the other.

Having thus stated with frankness the impression made upon the Department by such information as you have furnished it, it becomes my duty to add that this government is unable to understand the abolition of the Calderon government and the arrest of President Calderon himself by the Chilian authorities, or I suppose I ought to say by the Chilian Government, as the secretary for foreign affairs of that government has in a formal communication to Mr. Kilpatrick declared that the Calderon government "was at an end." As we recognized that government in supposed conformity with the wishes of Chili, and as no reason for its destruction has been given us, you will still consider yourself accredited to it, if any legitimate representative exists in the place of President Calderon. If none such exists you will remain in Lima until you receive further instructions, confining your communications with the Chilian authorities to such limits as your personal convenience and the maintenance of the rights and privileges of your legation may require.

The complicated condition of affairs resulting from the action of the Chilian Government, the time required for communication between the legations in Chili and Peru and this Department, and the unfortunate notoriety which the serious differences between yourself and your colleague in Chili have attracted—have, in the opinion of the President, imposed upon him the necessity of a special mission. This mission will be charged with the duty of expressing the views of the president upon the grave condition of affairs which your dispatches describe, and if possible with due consideration of the rights, interests, and susceptibilities of both nations to promote a settlement which shall restore to the suffering people of Peru the benefits of a well-ordered government, deliver both countries from the miseries and burdens of a protracted war, and place their future relations upon a foundation that will prove stable, because just and honorable.

I am, sir, your obedient servant,

JAMES G. BLAINE.

No. 376.

[Extract.]

Mr. Hurlbut to Mr. Blaine.

No. 28.] LEGATION OF THE UNITED STATES,
Lima, Peru, November 23, 1881. (Received December 21.)

SIR: * * * I also send with this a long letter from Mr. Jacob R. Shipherd, which I wish read and retained in the Department. I call attention to the part marked with lines. I have written to him declining any further correspondence, unless through the Department, and have also written a letter of explanation to * * * said by Shipherd to be his attorney.

I am, sir, your obedient servant,

S. A. HURLBUT.

[Inclosure in No. 22.]

Mr. Shipherd to Mr. Hurlbut.

NEW YORK, *October* 27, 1881.

SIR: I have yours of the 1st instant. You seem still to look upon our company and its possibilities only as something that may be "of great use" to Peru. I shall be content—extraordinary as the attitude is—to discuss it on that basis, and to applaud your generous sympathy with an unhappy country; and I will, if you wish, pardon to an excess of generosity in that direction the remarkable indifference, or seeming indifference, to the interests of your own countrymen. If you had heard a tithe of the comment made upon this seeming indifference by gentlemen whose only interest is to applaud and to be proud of you, you would at least credit my own observations with great moderation.

Our company, now fully organized, and already a formidable power, being, purely commercial, necessarily includes, however, not only those who, like myself, are your steadfast political friends, but men of all political parties and factions, all of whom would none the less gladly be your friends as minister, and would heartily uphold your hands, if you would give them the slightest opportunity to do so; but who cannot be expected, when they see you totally indifferent to their interests—or apparently so—to forbear criticism not only severe, but possibly unjust. Such is human nature.

If you had come to my office, as I understood you to earnestly assure me you would, before you sailed, I could have satisfied you as long ago as that upon all the points you now raise. If opportunities have been lost in the intervening period, you will, I trust not hold me alone to blame; and if you had been at the pains to deliver with the letter to Mr. * * * the accompanying documents, without which the letter was unintelligible, you would at least have not taken a responsibility which no one here has as yet been able to explain.

I sincerely beg your pardon if this frankness seems severe; it certainly is not meant to be rude, and is only used to give you some idea of the unhappy impression which the attitude of your legation has—erroneously or otherwise—made upon every person without exception, I believe, who looks from this view point. And nothing will give me sincerer pleasure than to be enabled to vindicate not only the perfect integrity of your motives, but what is almost equally important, the wisdom of your methods.

In a readiness to help Peru, no one at Lima or elsewhere can profess a sincerer desire than this company feels. So far as Peru is concerned we might safely ask her to do nothing except for herself alone. But we have rights as well as she, and have no idea of relegating them to any secondary rank. Of a government capable of the official record made in the Landreau case, it would hardly be wise to expect any refined analyses in practical ethics; no practicing attorney would hanker exactly for the privilege of submitting any cause to just that kind of a tribunal.

It is therefore with only a languid interest that we have at any time looked toward either the legal or the equitable strength of our case; we have assumed from the first that our chief reliance should be upon our ability to rescue Peru in *articulo mortis* from the jaws of the devouring conqueror.

But while this might suffice for the face to be turned toward Peru, it could not for a moment satisfy the gentlemen who constitute the Peruvian company, nor their counsel, nor the American Government. There must be at the bottom of all our plans, first the facts and next the proof of them, which would create open, clear, and incontestible equities, at least coextensive with our claim.

That such facts and such proofs do exist, the documents heretofore placed in your hands have been supposed to be *prima facie* evidence. Of more than a score of eminent attorneys, statesmen, and business men who have thoroughly and critically examined them, not one has at the end expressed a doubt, or failed to express a judgment that our case (*prima facie*) was complete.

It is always possible that such a body of experts may all be mistaken; but the probabilities hardly lie that way, do they?

For example, I sent for * * * this morning, and read him your letter without comment, and at the close asked him what he thought of the difficulties you suggest. His reply was, "I can see nothing whatever in them. The documents in General Hurlbut's hands are plain as the shining of the sun. If we are not badly advised by Peruvian authorities here, the natural sun inherits; if we are badly advised on that point, it is immaterial, for we have the will."

Following my own order, I proceed then specifically to respond in turn to each of the points you suggest, and to these I may add a general observation or two.

First. I believe you are not aware that Alexandre Cochet, whom we supposed to have died intestate, in fact left a valid will, in which Gelacio is duly recognized and identified, and to whom all the testator's rights and properties are duly bequeathed. This will came to light in August last, and has been duly probated in Paris, and we have a properly attested copy of it here. This fact removes the only question you raise as to the chain of title.

Second. What did Cochet discover? His pamphlet shows clearly enough. Not the heaps of guano, not the original *vague idea* that it had fertilizing properties. But that *marketable* quality which brought all the millions into the public treasury.

The language of the committee of award is broader than this. (See p. 13 of Truth Demonstrated.) "The 5,000 tons of guano that the national representation is disposed to grant to the Señores, Allier and Quiroz, believing them to be *the first discoverers of the fruitful properties of this manure.*"

On all the facts the committee award to Cochet the prize intended for the "first discoverers of the fruitful properties," and for those "first to introduce it into European markets."

The body of the report shows, if not in a precise, certainly in a very comprehensive and unquestionable way, the almost unlimited indebtedness of the republic to this extraordinary foreigner, and adjudges him to be—what his own collateral specifications show in detail that he was—the creator of the foreign guano market, the discoverer "of untold riches," which have ever since been flowing in upon his beneficiary.

The decree—(p. 44 of the prospectus)—is as broad as possible: "That any one, after the publication of these presents who shall have discovered —— or *other property* belonging to the state, shall have a right to a third part."

If the intent of this decree was the benefit of the state by the discovery of available *value*, then the rule being as broad as the reason of it, must easily enough cover the *value* discovered in guano by Cochet alone.

If the intent was narrower than this, then it was only calculated to defeat itself. The interests of the state are inseparable from those of the discoverer.

Third. What was the award? That the prize appointed for "the first discoverers of the fruitful properties of this manure, and the first to introduce it into European markets," belonged to Alexandre Cochet.

Fourth. Who awarded it?

So far as appears at all, the final tribunal duly created and authorized by "the national representation."

Fifth. Does that award "bind" Peru? Apparently; why not? Who is Peru? Is not the act of an authorized agent the act of the principal?

But all this argumentation proceeds upon the assumption that Peru proposes to dispute this claim.

Is not such a presumption at least premature?

Until the demand served on the Peruvian minister at Washington on the 13th, perhaps no formal demand for this property has heretofore been made. In such case the present Peruvian executive is as free as the executive of 1841. He is embarrassed by none of the repudiations which cloud the contested Laudreau case, and may construe the report of the committee of award as freely as any other sovereign. The *equities* of Cochet's claim are simply enormous, and are so plain that no sane man can for a moment debate them as doubtful.

There is no sounder rule of legal construction than that where either law or equity may prevail; *equity must* prevail, and if President Calderon is not clear that upon merely and narrowly legal analysis the award defines Cochet to be the true discoverer of guano—upon the notorious facts collateral to and contemporaneous with the award, he cannot for a moment doubt that the finding of the committee amounts to exactly that, and to nothing less.

The Laudreau record needs no comment and will bear none. The opportunity now given to do cheerfully a great justice, and at the same moment to reap an enormous reward should need no enforcement.

If it is asked, May Peru act freely in existing premises? The complete answer is: Why not?

The decision which must be made upon the demand now pending is a purely executive decision, addressed to the executive of a sovereignty. If Mr. Calderon's government is sufficiently constitutional to negotiate for peace upon terms involving the dismemberment of territory—and the Chilians have always been ready to treat with him on this basis, and by such readiness are estopped, it must certainly have the inferior authority to *quitclaim the property of non-residents*, and to make a treaty with this company which will *preserve the republic*; in exigencies, mere committees of safety, may for the public *good* assume unlimited power. Is not this safe ground, in your judgment?

You may certainly rely, my dear sir, that every view suggested herein has the hearty approval of counsel entitled to the highest respect, and that we count ourselves fortunate in submitting these views for revision and criticism to counselors as able as yourself and President Calderon. We are perfectly aware that our demands and Mr. Calderon's concurrence—if he shall concur—will be put into diplomatic crucibles the world over; we have refined our views in advance with this expectation, and cheerfully surrender them to such tests; and we ask only of Mr. Calderon that he take such ground as he can vindicate to all intelligent and reasonable critics.

Farther than this, apply the test of a judge in court. Who has the right to object? Only some one who will suffer. Will Chili suffer? Is it not settled that her utmost

right, even of force is limited to a reasonable war indemnity? This is her utmost right as against *Peru;* and if Peru admits our title, Chili has *no* right against *us*.

Yet we are ready to pay or safely secure her proper indemnity, and upon this she is out of court.

Will Peru's creditors suffer? Is not our offer to them incomparably better than any other they have had or are like to have?

Will the citizens of Peru suffer? Is not our coming their sole chance of salvation?

——— Will the United States Government back us up, and by so doing protect Peru?

Let that question be put directly to Mr. Blaine by Mr. Calderon. It certainly is not for me to speak for the government.

But as a citizen, and one of the people who create governments, I may venture an opinion shared by every stockholder in this company, and backed by the millions we are ready to venture on it, and in that opinion, I fancy, you will readily concur: That no government at Washington could escape the popular *damnation* which all parties and factions would unite to visit upon an executive that failed to protect, at no matter what cost, so enormous a property as ours against the mere rapine of Chilian marauders—Peru herself standing with us.

For your own satisfaction, I may say, that our staff of counsel, including such representative and various men as * * * are absolutely agreed upon this as upon every other point material to the pending issues; and the most radical suggestions of policy as yet suggested, have the hearty autograph approval of * * * who is now one of us. The significance of all this you need no aid from me to estimate.

It occurs to me to quote your recent correspondence. The moment we heard here of the decree of September 28, I wrote to * * * the intermediary between * * * and myself, when I am away from Washington.

"Since I wrote you last we have fresh and stirring news from Lima. Hurlbut's letter to Lynch deserves no stinted praise; it is a bull's eye, and no man's hat shall go higher than mine for him.

"The attempt of Chili to wipe out Calderon may be covered with any number of specious pretexts, but its real motive unquestionably is to lock horns with Mr. Blaine on the supreme issue of a cession of territory. Hurlbut spoke and the Chilian minister at Washington (* * * told me) appeared at the Department to demand explanations. How he was answered sufficiently appeared from what followed. He certainly became satisfied that the United States would not sit by and see Chili dig out the very vitals of its victim. Between the 25th of August, when Hurlbut wrote, and the 28th of September, when Calderon was suppressed, there was just time to hear fully from Washington.

"It does seem to me that the time has now come for Mr. Blaine to speak the one word that will cut this knot forever. Chili defies him and puts the last twist on her tortured and helpless victim. Calderon, although originally set up by the Chilians, resigned his provisional office to the constitutional Congress, and was at once unanimously elected provisional president by it. Now, when Chili finds that he will not, and cannot—for his Congress forbade him—cede the coveted territory, she forbids him to exercise his functions at all.

"What next?

"Chilian military rule and pure anarchy. * * * Chili will never permit a free election. She will either set up another provisional stick, or she will never allow another government to be organized. Meanwhile, all advices are that the country is settling into a condition of permanent horribleness; rapine is now the habit and the rule.

"Has not the time fully come for the only power that can stay this awful flood, to *stay* it?

"Hurlbut's manifesto to Lynch is perfect. Now, if his chief cables him to continue to recognize Calderon and to assure Calderon that, until another government is fully set up by *Peru*, the United States will insist upon his right to speak for Peru under the sanction received from his constitutional Congress, the issue will be forced, and the situation saved.

"If Chili may abolish Calderon, she may abolish Peru; if the United States falters now she may never retrieve the lost opportunity.

"The bearing of all this upon our great interests, Chili sees as clearly as I. If there is no Peruvian Government, there is no government to admit our rights, and so to establish them. The continuance of Calderon for the time being is vital, you see, to all we have at stake, and such interests as ours should easily decide, * * * if aside from them he hesitates."

——— Has Peru any representative here to make a heartier plea for her than that?

I will read to you now from the answer that came swiftly back:

"I can only now assure you that the United States will utter her voice in a manner which will mark an era in American diplomacy. The matter is being prepared, and within a week or two you will know what is done. You should act at once as though

the American ships of war were on their way to the Pacific coast. ------ Perfect your plans. Everything here has been just as you have wanted it all the time. The policy of the government has been exactly right, and is now. Any man who proposes to take part in your project should *now* take hold in earnest. -------- Chili will not set up another president, I fear, who will be strong enough to treat with us. We had better treat with Calderon, whom I hope our government will continue to recognize."

* * * in continuing deplores the circumstances which prevented my original purpose of putting you in possession of facts before your departure, which would have enabled you to have pointed Mr. Calderon to this only and complete way of escape immediately on your arrival at Lima.

But let that pass. It is not yet too late. So great a project as this, glacier-like, makes slow progress at best; it would be perilous indeed if it could move faster. You are now so situated as to place all the material facts clearly before Mr. Calderon. All the papers printed and cited by me—except only Gelacio Cochet's deed, which we have here and will of course produce in due course, together with the attested will—are part of the official records of the Peruvian Government—congressional or municipal—and presumably within the reach of the Peruvian executive. I am advised that undoubtedly Mr. Calderon can reach all the originals that are material. If not, we can supply deficiencies, upon request, from copies in the Department at Washington or elsewhere. Certainly I shall be at no pains to collect such copies until, upon the *prima facie* case, Mr. Calderon plainly assures me what he proposes to do. I am doing far more for Peru than she is to do for me, and shall not do more than my part.

In yours of September 12, you said that you had received no such dispatches as * * * assured me had been sent. The next time I was at the * * * * * * placed in my hands all the dispatches * * * had sent you, and I read for myself. The phrasing is his own, but the effect is exactly what I described. All I wanted was a *stay* pending negotiation, and I expressly asked him to put the Landreau claim forward, and to say only of ours that it had not yet been examined finally in the Department. He did precisely what I asked. I ask no opinion yet of any one on the merits of the Cochet claim till I have Peru's response to my demand. If that is affirmative, all the issues become finally *res adjudicata*, and will be so treated by the United States Government. If Peru's answer is a negative, then it will be time enough to consider the next step to be taken.

Until that answer comes, it seems hardly worth while for us to send commissioners to Lima. *Cui bono?* The case is as clear as the sun at noonday, and Mr. Calderon is said to be the first lawyer in Peru. I certainly don't propose to argue, nor to solicit, nor to persuade him, nor anybody else. To him, as to a drowning man sinking for the last time, I throw a rope. I am not sinking, nor am I going to sink. I control an interest large enough and strong enough to ride all seas in all weathers. If Mr. Calderon wishes to grasp the rope, that is for him to do. When he has done so, I will land him safe and sound. Until he lays hold of it, why should I further trouble myself?

If I need a commissioner, I am content with the American minister, for the time being. I need nothing from him that his official duty *ex virtute officii* does not require of him, to wit, that he shall do always what he can for the interest of the United States, and as a friend also for the country to which he is accredited. If he does this, he must to the uttermost promote the international plans of this company, and no man I can send can do this so well as he. I do not for a moment distrust him, if once he will set out to utilize in a large way the mere facts as they stand. He cannot go amiss, and he will find in this office during his ministry, and as long as he lives, the surest appreciation and the most helpful friendship.

If Mr. Calderon is wise, he will make Mr. Tracy (the present consul here, and formerly chargé d'affaires) his minister plenipotentiary, to co-operate with * * * and myself here as you are working with him in Lima, and no other commissioners are needed. Mr. Tracy is ideal in his Peruvian loyalty—son of an American father at Lima, and a Peruvian mother—is thoroughly and exceptionally intelligent, commands and deserves the highest respect, and is honest and honorable, as few men are. He has from the first been aware of our plans, but has never had and will never have any interest with us. He does not want to be minister, and would make great sacrifices if he accepted the post—would only accept it, if at all, long enough to carry through the peace negotiations, for which * * * is most sadly incompetent. I should add that this suggestion is not only made without Mr. Tracy's knowledge, but despite his repeated refusal to consent to any suggestion of the kind; I only make it in your ear in Mr. Calderon's interest, and leave it wholly to your discretion whether it shall be brought to his notice. Of the utter incompetence of * * * there can be no question, and the recommendation I have made is based upon an intimate acquaintance with Mr. Tracy for the last six months. No other man, I think, could, at this juncture, do Peru so great a service as he, if he would accept the appointment, and I think he would not refuse the necessary sacrifice if the President should ask it.

———— It has been suggested by one of our share-holders that, as the Chilians

say Mr. Calderon may exercise his functions anywhere save under the Chilian flag, that he might, without delay, carry on all the negotiations necessary to our views under the American flag in your own office. The suggestion will not be new to you, and there may be some difficulty in the way unknown to us. I mention it to indicate our readiness to recognize his official acts. We care no more for Chili's decrees in Peru than for the breath of any other aliens.

——— I thank you heartily for the news of the proposed sale of an interest in the Landreau claim to the Chilians. The same interest was offered us during the summer and declined.

If our claim is good at all it takes, practically, everything, and Landreau owners must make terms with us as best they can. We have not only a valid first lien (p. 45, Prospectus), but the mere magnitude of our interest must dominate all others in any event.

I am quite content the Chilians should buy it if they think there is any money in it; but I doubt if they will, because if Peru admits our title Chili would be only buying a kneeling place at our foot-stool, and if Peru denies our title, Chili can buy *that*, and adjudicating it for herself foreclose on Peru with a process that neither the United States nor any other foreign power will for a moment question.

Having delayed *this* intimation until now, I may add that it is no new idea with this company. When we first bought this title we saw three markets for it, and of these three Chili was not the least promising. Of the merits of the original quarrel we know nothing and care nothing. Peru is the under dog, and our sympathies lie with her. There are strong reasons why we should prefer to deal with her, otherwise we should not make her the first offer. But certainly we have not bought this great interest to lay it at the feet of Peru, to use or to refuse as she may choose. We have rights as well as she, and we have abundant alternatives if Peru wishes to challenge us to use them. Of these the Chilian is only one, and is only suggested to make clear the general fact that we have at least *one* alternative. I need not dwell on this point. Mr. Calderon can follow it out for himself.

Nor are we dependent on Mr. Calderon's government. We can wait; all methods are open to us, all delays make in our favor and not against us. It is not for us to hasten, but only to strike when the hour strikes.

If Mr. Calderon wishes speed he can have it; we are ripely ready whenever he is ready. The moment he cables me the proper assurances he will find me responding like an echo; till then I wait.

My telegraphic address (cables) is Jacket (JACKET), New York.

It might be better still for you to cable * * * in cipher.

——— If now, my dear sir, you see your way clear to work with us I will bury all the past and you shall find in me a true partner. Certainly, I ask nothing of you but that you serve the interests of the whole United States and of Peru at the SAME MOMENT.

With great respect, your obedient servant,

JACOB R. SHIPHERD,
President.

No. 377.

Mr. Hurlbut to Mr. Blaine.

No. 29.] LEGATION OF THE UNITED STATES,
Lima, Peru, November 23, 1881. (Received December 21.)

SIR: The evidences of an intention to occupy Peru for an indefinite time are multiplying.

The Chilian authorities are preparing a full system of internal government, including judicial functionaries. They are carefully examining all sources of internal revenue heretofore belonging to Peruvian authorities, and announce the intention to collect all these by their own officials.

It is stated that this new order of things will go into effect on the first of December. The effect of such a declaration will be disastrous to all foreign interests in this country and will at once revive war in its worst form.

The custom-houses now yield to Chili from nine to ten millions per annum. Add to this the internal revenues, and it is evident, that so far as the Chilian Government is concerned, they will make money by the occupation. But the occupation, to be effective, must be in military force much greater than now, and the weakness of Chili consists in its small population. The steady drain of effective men is beginning to be felt severely by that class who furnish the rank and file, and the complaints are already serious. And if this be the case now, when half or more of Peru is anxious for peace, and takes no active part in the war, how much more serious will it be when the whole effective population of Peru perceives that nothing is left them but war if they desire any portion of independence.

The military occupation of Peru declared as a definite policy, will compel an outer line of armed Peruvians, and effectually close all access to the interior.

Thus commerce will either be prevented or double duties, Chilian and Peruvian, collected, and the coast cities which live upon the commerce of the interior will rapidly decline. Our interest in the general commerce of Peru is not as large as that of England or France, but it is worth protection. Our internal interests are very large, for the three great railways of Peru are owned and controlled by Americans, and are even now paralyzed.

The establishment of this policy by Chili means absolute ruin to these interests, involving many millions of dollars.

Irregular warfare, thoroughly possessing itself of the interior, will breed rapine, violence, and all possible evil.

The only thing outside of foreign interference which I see to hinder Chili from inaugurating these evil days, is her want of population. I see, on inspection of the new troops, that they are largely composed of boys. I learn that labor is very scarce in Chili; that as high as seven soles a day has been offered for ordinary laborers on railways; that recruiting, even with heavy bounties, is a failure.

These facts, which I believe to be well founded, may incline the rulers of Chili to peace, otherwise we must look for military occupation. To-day (the 23d November) I received an official letter from Vice-President Montero, dated at Cajamarca, a translation of which is inclosed. I am also in receipt of reliable information that Çacères has forbidden Piérola to come within his command, and that a battalion sent by Piérola from Ayacucho to put down the movement in Cuzco, has joined the constitutionalists, and that a force, both from Cuzco and Arequipa, is in motion upon Ayacucho. I sincerely wish that Mr. Calderon could be restored to the country, as he is undoubtedly the man of most brains and education. No dispatches came to me by the last mail, and as the one to arrive on Saturday makes no connection with the United States, I do not expect anything.

I received a telegram from you, dated the 16th November, which I answered on the 17th. I had acknowledged the receipt of the telegram which you date as of 31st of October, but which came to me with date of 2d November on the 3d, but made no other answer until called for by your telegram of 15th November.

I am, sir, &c.,

S. A. HURLBUT.

[Inclosure in No. 29.—Translation.]

Mr. Montero to Mr. Hurlbut.

CAJAMARCA, *November* 11, 1881.

SIR: Faithful to the indication given to your excellency in my letter of the 23d of the past month, that I would direct my conduct in the sense of uniting the country under the constitution of 1860, I called a popular meeting for that purpose, and, as you will see by the proceedings published in the newspaper La Realidad, which I have the honor to inclose, this department and the army of the north have proclaimed for constitutional order, recognizing the authority of His Excellency Señor Don F. Garcia Calderon, and passing a vote of thanks to the Government of the American Union, which you so worthily represent, for its elevated and philanthropic conduct in reference to the questions between my country and the Republic of Chili.

In giving you this information, it is a pleasure for me to assure you that, seconded, as in a short time it will be, by all the other departments of the north, the National Union will soon be an accomplished fact, with which valuable aid, and with the noble intentions which animate your government, it should be easy to obtain a satisfactory solution of the terms of peace hereafter to be celebrated.

I avail myself of this opportunity to reiterate to your excellency the sentiments of my high esteem and respectful consideration, asking, at the same time, that you will please inform your government of the facts above stated.

God guard you.

L. MONTERO.

No. 378.

Mr. Blaine to Mr. Hurlbut.

[Telegram.]

WASHINGTON, *November* 26, 1881.

HURLBUT, *Minister, Lima:*

Special envoy extraordinary leaves Washington for Peru immediately. Continue recognition of Calderon government.

BLAINE.

No. 379.

Mr. Blaine to Mr. Elmore.

DEPARTMENT OF STATE,
Washington, November 26, 1881.

SIR: I have the honor to acknowledge the receipt of your note of the 18th instant in relation to the telegram informing you of the adhesion of the Peruvian Admiral Montero to Señor Calderon's government, and of measures taken by the authorities of Chili against that government.

Accept, sir, &c.,

JAMES G. BLAINE.

No. 380.

Mr. Blaine to Mr. Hurlbut.

No. 21.] DEPARTMENT OF STATE,
Washington, November 30, 1881.

SIR: You have already been made acquainted, by my No. 19, of the 22d instant, with the determination of this government to send a special

mission to South America for the purpose of adjusting whatever questions, growing out of the contest between Chili and Peru and Bolivia, may affect the relation of the United States to the three belligerent powers, or conduce to the restoration of good understanding among them.

I have now to inform you that William Henry Trescot, esq., of South Carolina, has been commissioned as Spanish envoy, with the rank of minister plenipotentiary, to the Republics of Chili, Peru, and Bolivia, and will forthwith set out upon his mission.

The commission which Mr. Trescot receives will not supersede the ordinary duties of yourself and your colleagues at Santiago and La Paz; but all communications and negotiations connected with the settlement of the pending difficulties between Chili, Peru, and Bolivia, so far as this government may deem it judicious to take action, will be transferred to Mr. Trescot's charge.

Under the instructions which have been given to Mr. Trescot, he will place himself in direct communication with the several governments to which he is thus specially accredited. It is, however, expected that he will learn from you and your colleagues the exact condition of existing political relations, and receive such suggestions as your recent experience may enable you to submit for his consideration. The action he may take, however, must be decided upon his own responsibility and in the exercise of his independent authority.

Mr. Trescot will be accompanied on this important mission by the Third Assistant Secretary of State. As it may be necessary to consult the representatives of the United States in Chili, Peru, and Bolivia at the same time, or to conduct a simultaneous negotiation with those governments, Mr. Trescot is empowered by the President of United States to authorize Mr. Walker Blaine to represent the United States at any point where this necessity may occur.

I am, sir, &c.,

JAMES G. BLAINE.

No. 381.

Mr. Hurlbut to Mr. Blaine.

No. 30.] LEGATION OF THE UNITED STATES,
Lima, Peru, November 30, 1881. (Received December 21.)

SIR: Since my last no event of any importance has occurred in Lima. On the 28th November, I received a telegram from you, announcing the speedy departure from the United States of a special envoy, and also directing me to continue to recognize the Calderon government.

On the same day I received letters from Mr. Rafael Villanueva, Secretary-General of the Vice-President, giving notice of his acceptance of the office to fill the vacancy occasioned by the seizure of President Calderon, copies of which papers, in translation, I forward as inclosures.

I have answered these by a formal communication acknowledging Admiral Montero as the lawful head of the Constitutional Government of Peru, which will go forward to him to-morrow.

I shall take no further steps until the arrival of the special envoy.

I am, sir, &c.,

S. A. HURLBUT.

[Inclosure 1 in No. 30.—Translation.]

Copy of law, October 4, 1881.

FRANCISCO GARCIA CALDERON, Provisional President of the Republic.

Inasmuch as Congress has passed the following law:

The Congress of the Republic of Peru, considering that, for the preservation and security of the constitutional order, it is indispensable to name the person who shall replace the President of the republic when from any cause he shall be precluded from exercising supreme authority, has passed the following law:

ARTICLE 1. In case that by reason of any impediment the actual Provisional President shall be unable to exercise the supreme authority, Rear-Admiral Lizardo Montero shall take his place, and shall in such case take charge as chief of the executive power, with the character of first vice-president of the republic during the existence of the state of war with Chili, and until treaties of peace shall be ratified, the republic return to peace, and the people in accordance with the constitution shall designate the officers who shall exercise the executive functions.

ART. 2. Rear-Admiral Lizardo Montero, upon entering upon the duties of said office, shall take an oath before any court of judicial authority in the republic.

Let this be communicated to the executive for such action as may be required to enforce it.

Given in the hall of session at Lima, this 29th of September, 1881.

T. T. ELGUERA,
President of Congress.
L. GARCIA,
Secretary of Congress.
ISAAC ABRAMORA,
Secretary of Congress.

Therefore it is my order that the same be printed, published, and circulated, and the terms of the same fulfilled.

Lima, 4 October, 1881.

F. GARCIA CALDERON.
M. VELARTO.

[Inclosure 2 in No. 30.—Translation.]

Diplomatic circular.

CAJAMARCA, *November* 15, 1881.

SECRETARY-GENERAL OF STATE:

SIR: On account of the act committed by the enemy of Peru, by imprisoning and carrying beyond the Peruvian territory his excellency Francisco Garcia Calderon, Provisional President of the Republic and the minister of foreign affairs, Manuel Maria Galvez, his excellency the first vice-president, Rear-Admiral Lizardo Montero, has to-day assumed supreme power, having first taken the prescribed oath of office before the superior tribunal of justice in this district, in fulfillment of the law of the 4th October last, a copy of which is herewith transmitted.

The government is therefore established for the present at this city while the necessities of the nation demand it; and it becomes my duty to inform you that by supreme decree of this date, I have been charged, until a cabinet is formed, with the service of the different branches of public administration, which appointment offers me the satisfactory occasion of offering to your excellency the facilities necessary for any matters of state which require diplomatic intervention.

His excellency deplores profoundly the events which I have mentioned in the beginning of this dispatch, not only on account of their import in themselves, but because they sharpen the points of difference between the belligerents, and for the effect upon the country of the seizure of its chief magistrate.

Availing myself of this opportunity, I have the honor to assure your excellency of the sincere purpose which animates my government to draw closer the relations of sincere friendship which fortunately unite Peru with the United States of America, to the end that they may reciprocally furnish the means which may be necessary for that future greatness to which both countries have the right to aspire. With sentiments of the most profound esteem, I have the honor to subscribe myself.

Your excellency's faithful and obedient servant,

RAFAEL VILLANUEVA.

His Excellency S. A. HURLBUT,
Envoy Extraordinary and Minister Plenipotentiary, United States of America.

[Inclosure 3 in No. 30.—Translation.]

Mr. Villanueva to Mr. Hurlbut.

CAJAMARCA, *November* 18, 1881.

SIR: I am charged by his excellency the first vice president of the republic with the duty of answering your letter of the 8th November instant.

His excellency properly appreciates the declarations made by you, and, as you will see by the circular which, on the 15th of this month, I forwarded to the diplomatic body residing in Lima, all the prescriptions of law have been complied with, and after taking the proper oath of office the first vice-president, Rear-Admiral Lizardo Montero, has assumed the duties of the supreme executive. His excellency, who duly esteems and recognizes the noble efforts which in your character of representative of the government at Washington, near the Constitutional Government of Peru, you have made toward the adjustment of honorable peace with Chili, has the hope that your excellency will continue to give to his government the same important aid which has been given to that of his predecessor, his excellency F. Garcia Calderon.

I avail myself, &c.,

RAFAEL VILLANUEVA.

No. 382.

Mr. Blaine to Mr. Hurlbut.

No. 25.] DEPARTMENT OF STATE,
Washington, December 3, 1881.

SIR: Since sending my instruction No. 19, of the 22d ultimo, to you, upon a more careful examination of the protocol transmitted in your dispatch of the 5th of October, signed by yourself on behalf of the United States, and Señor Galvez, minister of foreign affairs, on behalf of Peru, for the cession of a naval and coaling station to the United States at Chimbote, I find it difficult to discover what substantial advantages would be gained by this government in the event of its acceptance of the proposed agreement.

I have already had occasion to remark that the time was not opportune for any negotiation for a concession from a power reduced to such extremity as that in which Peru stands to-day, and to call your attention to other grave considerations which should outweigh any apparent temptation to our sense of immediate self-interest in asking or accepting the concession of special privileges in that country.

But the advantages offered by this protocol grow more shadowy as its provisions are more closely examined. The first article concedes to the United States the right to establish a coaling station at Chimbote, and the second immediately adds that this shall not be exclusive; that Peru reserves the right to concede the same facilities to any other friendly power which may solicit them. The third subjects to Peruvian law whatever land might be acquired by the United States for the purposes of a coaling station; and by the fourth article Peru has the right to withdraw all that is conceded by the agreement whenever she sees fit, upon one year's notice.

A naval and coaling station on the South Pacific coast, carefully chosen, with the aid of the professional knowledge of those specially qualified to determine its capacity to answer the wants of our national ships, and over which we might exercise proper and necessary jurisdiction, with a secure tenure, would be of undoubted value, and this government, at a fitting time, may be willing to negotiate upon fair terms

for such a privilege. In the protocol presented I observe that you have, with perfect justice, offered no consideration to Peru for this amiable concession, which would only enable us to enjoy on her shores the same privileges which we substantially possess to-day, and which she is ready to extend to every other power with which she is not in actual war. It has the merit at least of innocent diplomacy; nothing was given and nothing was taken.

While your negotiation of this protocol may be regarded as an error of judgment, involving no serious or lasting consequences, I regret that another proceeding which you report in the same dispatch is of a graver nature, and I cannot pass it by without the most decided expression of disapprobation.

You have commenced an extraordinary negotiation with President Calderon in regard to a railroad company of which you, while American minister, propose to become the trustee or intermediary, the road to be ultimately turned over to an American company, an unfinished road which you say has already cost nine millions of dollars.

The principal terms of the arrangement will be the payment to the Peruvian Government of one million of dollars in money, and the same in paid-up stock, to clear up all existing incumbrances, for which sums they concede the right to construct and operate the road for twenty-five years after it is finished. You consider the grant very valuable and the possibilities of the company very large. The special advantage which the United States may derive from these possibilities is that the price to be charged for coal carried over the road may be limited, as the railroad runs to Chimbote and the railroad arrangement is a sequel to and part of the plan for a coaling station there.

I have learned of this negotiation with profound astonishment and regret.

It is hardly conceivable that under any circumstances whatever your government would consent that its minister should accept such a position, but for the minister himself, without instruction and without permission, to assume the charge of an extensive financial scheme for the purchase, completion, and transfer of a railroad is an utter disregard of every rule of prudence and propriety that should govern the conduct of a representative of the country. At a time like the present, when the ruin of Peruvian interests and the embarrassment of that government in its almost hopeless attempts to contrive a method of raising money have given birth to so many speculative schemes, and filled the press with accounts of contending companies and their enticing proposals, the direct participation of the American minister in a plan for the reorganization of a railway wreck cannot fail to lead to misapprehensions on the part of other governments and distrust of the United States and its minister, whose motives and proceedings would be viewed in the most unfavorable light.

Whether the grant be very valuable or the possibilities of the railroad very large, or the profit of the speculation great or not, are questions of little moment compared to those higher considerations of national interest and dignity which should govern every act and every word in the intercourse and dealings of this nation with others, as conducted by a representative clothed with its power and charged with its interests and its honor. The construction of a railroad and the cheapening of coal may be laudable enterprises in themselves, but this government does not send its envoys abroad to undertake them. It is inconsistent with the first duty of a diplomatic agent to assume such functions; and however disinterested or innocent might be his design, it

would inevitably awaken surmises prejudicial to his standing and would impair, if not destroy, his influence with his colleagues and with the people of the country to which he was accredited.

With some relief I note that this negotiation was not wholly completed at the time of writing your dispatch. I presume it was broken off by the arrest of President Calderon; but I would be better pleased to learn that upon mature reflection the impropriety of engaging in such a project and undertaking functions so incompatible with your representative character had occurred to your own mind, and that you had abandoned it altogether.

If, on the contrary, you have actually endeavored to carry it out by any compact or convention with the Peruvian Government you will at once notify it that the project is disapproved, and will not be ratified; and you will abstain from taking any further steps in the name of the United States tending to the acquisition or control of the railroad or the interference in any way whatever in that enterprise so long as you are minister from the United States.

I am, &c.,

JAMES G. BLAINE.

No. 383.

Mr. Blaine to Mr. Hurlbut.

No. 26.] DEPARTMENT OF STATE,
Washington, December 5, 1881.

SIR: Your No. 25 of the 2d ultimo, in relation to the Cochet claim, has been lately received. I have pleasure in expressing my appreciation of your course, as detailed therein, with regard to Mr. Shipherd's advocacy of that claim, and especially your action in sending hither the correspondence in the case.

The inclosed copy of a letter which I have addressed to Mr. Shipherd shows that I entertain a no less decided opinion than you have held as to the indecency and dishonor of his attempts to influence diplomatic consideration of this claim. Perhaps I should mitigate somewhat the severity of my language in view of the possible fact, pertinently suggested by you, that Mr. Shipherd is not wholly in his right mind.

In a late instruction I referred to the Peruvian Company as composed of reputable gentlemen in New York. I am led now to believe that the eminent New York gentlemen, claimed to be associated in the company, are as ignorant of the use of their names as I have been of the remarkable and absurd statements which Mr. Shipherd attributes to me in his letters to you.

Yours, &c.,

JAMES G. BLAINE.

No. 384.

Mr. Hurlbut to Mr. Blaine.

No. 32.] LEGATION OF THE UNITED STATES,
Lima, Peru, December 7, 1881. (Received January 4, 1882.)

SIR: On the 28th of November, 1881, at the city of Tarma, Mr. Pié

rola issued a formal decree abandoning his position as President, and turning over all his troops and other means to General Carceres. He also published a short proclamation. Both of these documents I inclose in translation.

Having been furnished by the Chilian authorities with passports and safe conduct, he is now in this city. He has said that he will leave by steamer to-morrow. I do not believe it.

I find that preparations are being made for a public meeting for next Sunday, to insist upon his retaining office. Such meeting can only be had with the consent and by the connivance of the Chilian authorities, and would in any event be worthless as an expression of public opinion.

Sir Spencer St. John, the English minister, is behaving very singularly and indecorously in these affairs. He learned the other day, in a very vague form, something about the Chimbote protocol, and has proceeded to the singular length of writing out the points of a "secret treaty" between the United States and Peru, which he is exhibiting in clubs and other public places, and which he induces people to believe is genuine.

In the same spirit he has induced the Chilian authorities to believe, or to effect to believe, that a "secret treaty" of vast importance has in fact been executed, giving in ownership to the United States the entire bay of Chimbote, and some square miles of territory, and the railroad, with exclusive civil and military jurisdiction and power to erect fortifications, besides many exclusive privileges.

If Mr. St. John had ever said anything to me on the subject I should have probably told him the facts as they were.

The death of General Kilpatrick, which took place on Friday night of last week, was communicated to me by telegraph. I hoisted the legation colors at half-mast.

I hope and believe that the envoy now on his way will be ready and will be ordered to supply his place, and with such full information from the Department that he will be ready to act promptly.

One of the Chilian papers just received contains the following news from Santiago, which I send for what it is worth:

It is said that General Kilpatrick has received a note from his government, disapproving the apprehension of Calderon, and that he is directed to communicate such disapproval to the Chilian Government, waiting for the arrival of the minister to treat directly. It is added that the Chilian Government answered that it would act as best became its duties and its interests.

December 1, 1881.

General Charles Adams arrived here last Saturday on his way to Bolivia. He will leave on Saturday morning (10th) for Mollendo, thence by railway to Puno and La Paz. As instructed by personal letter of the Secretary of November 9, I have given him copies of my instructions, and advised him of what has transpired here.

To-morrow, the 8th, a meeting of the diplomatic corps will take place to consider the letter addressed to them by Montero.

I cannot predict their action, for it is one of the difficulties of this situation that the logic of events seems to have no force, and it is possible that the Chilians may even yet treat with Piérola to foment discord, and will be supported in so doing by the French and English ministers.

I am, sir, &c.,

S. A. HURLBUT.

[Inclosure 1 in No. 32.—Translation.]

DECREE.

NICOLÁS DE PIÉROLA, *President of the Republic and Protector of the Native Race.*

Considering:

1st. That the desertion accomplished by the commanders-in-chief of the army, Col. José de la Torre and Rear-Admiral Lizardo Montero and Brigadier-General Andres A. Carceres, deprives the government of the means of maintaining the national defense, precisely at the time in which, having accumulated new elements for war, in concert with our ally, the Republic of Bolivia, we had commenced the plan of operations against the enemy.

2d. That notwithstanding the manifest will of the people, and of the majority of the revolted forces, and the attitude of those which remain loyal, it would become necessary to enter into an armed strife within the country, in the presence of the enemy, thereby destroying the elements of national defense, which should be preserved at all hazards.

In conformity with the vote of the ministers of state I resolve:

ARTICLE 1. To discharge myself from the government of the republic, confided to me by its people and confirmed by the national assembly in July last.

ART. 2. The political officers and commanders of forces who have not been deprived of their authority by the rebellion will surrender up such authority to the military officer commanding the garrison of the Quebrada of Huarochiri (this means General Carceres).

The ministers of foreign affairs and of justice, who also have charge of the other portfolios, are charged with the execution of the present decree, and of its publication and circulation.

Given in the city of Tarma this 28th day of November, 1881.

NICOLÁS DE PIÉROLA.

AURELIO GARCÍA Y GARCÍA.
PEDRO A. DEL OLAR.

[Inclosure 2 in No. 32.—Translation.]

PROCLAMATION.

The President of the Republic to the Nation.

FELLOW-CITIZENS: My duty to the country which elevated me to its government in moments of extreme necessity has been fulfilled without hesitation or rest during two years, in spite of all obstacles and at the cost of all sacrifices. I fulfill this same duty now in separating myself from command and from the country, in the fearful situation created in Peru by the bad elements within her bosom. This same duty imposes silence on me. May Providence save the nation from the abyss opened before her by her own sons.

TARMA, *November* 28, 1881.

No. 385.

Mr. Hurlbut to Mr. Blaine.

No. 33.] LEGATION OF THE UNITED STATES,
Lima, Peru, December 11, 1881. (Received January 4, 1882.)

SIR: In my last (No. 32) I mentioned the extraordinary conduct of Sir Spencer St. John, the British minister. I have learned since that time that the Chilian Government has acted upon this information, and that they have telegraphed to their several diplomatic agents in America and Europe in accordance with the false and exaggerated information furnished them from that source. I am also informed, though I scarcely believe it, that the English, French, and Italian ministers here have given like information to their respective governments.

The purpose of all these communications is to give color to the idea of annexation, or at least protectorate, on the part of the United States.

Stimulated, undoubtedly, by this same information, the Chilian military authorities of this city made a domiciliary visit to the house of Mr. Calderon, occupied by his wife and family, and instituted a severe but ineffectual search for the alleged treaty. They arrested Mr. Velarde, one of Calderon's late ministers, and demanded a literal copy. Mr. Velarde stated that he had no such document in his possession. They then pressed him to ask for a copy from me. He did so, and I answered that if the Chilian commissioners wished anything from me it was their duty to make the request, which, if at all proper, would be at once attended to as coming from the representatives of a friendly nation, but that a copy of public documents could only be had by consent of the government at Washington.

This request they have not yet made.

Having made up my mind that all this came from the indiscreet and indecent action of Sir Spencer St. John, I addressed him an official note, a copy of which is inclosed, dated December 9, 1881. This note was sent to him at 8.30 a. m. of 10th December, and at 10.30 a. m. he came to my house and we had the interview, a statement of which I inclose.

It appears to me that his excuse, as given by him, is frivolous, and a very weak invention, and, if anything, aggravates his fault. If he had believed the trash he gave out there would have been some excuse, but it is apparent that his sole object was to make mischief and create an ill feeling throughout America and in Europe against the United States.

It is needless to add that I do not believe a word of his excuse, for I am advised by many gentlemen of good standing, Americans, Germans, and French, that he deliberately induced the impression on their minds that there was foundation for the story.

It is for you, sir, to determine whether the foreign office in London ought to be informed of this extreme misconduct on the part of this personage.

I am, &c.,

S. A. HURLBUT.

[Inclosure in No. 33.]

Mr. Hurlbut to Sir Spencer St. John.

LEGATION OF THE UNITED STATES,
Lima, Peru, December 9, 1881.

SIR SPENCER ST. JOHN,
Minister Resident, Her Britannic Majesty's Legation, Lima:

MY DEAR SIR: I have been informed by several gentlemen of good standing that for some time past you have exhibited in places of public resort a supposed version of an assumed treaty between Peru and the United States. It is further stated that although not affirmed by you to be a literal copy, the impression is made that it is substantially accurate. The contents as reported to me are extraordinary and absurd. Your position gives a certain weight and importance even to extra-official action.

As you appear to have given publicity to this extravagant version, and as I can easily conceive that such version may, in the present state of affairs, produce complications, I request you to admit the representative of the United States into the confidence you have so liberally bestowed upon the public, and to furnish me a copy of the version alluded to.

I ask this as the representative of my government, so that the information, which it is my duty to forward, may be completely authentic. Personally I attach no sort of

importance to the affair, but as there are weak-minded and credulous persons who have been or may be impressed with mistaken notions, I should like the exact truth in place of information at second hand. I trust I need not say to you that the relations between our respective governments, and I hope between ourselves, have been such that any inquiry from you at this legation would have met with satisfactory reply.

I have, &c.,

S. A. HURLBUT.

Memorandum of interview between Mr. Hurlbut and Sir Spencer St. John.

The above letter was delivered at 8.30 a. m. December 10. At 10.30 of the same day Mr. St. John came to my house and stated, that he had just received my letter; that he had shown to several persons a draft of a supposed treaty which he himself had noted down, consisting of six articles; that he had done it as a joke to show the credulity of the Peruvians by embodying in form the rumors current on the streets; that it was never intended to be serious, and that he had so informed every one to whom he had shown it; that the propositions were so absurd that he never supposed any one would believe them; that he had destroyed the paper and consequently could not give me a copy.

I remarked that practical jokes on such questions at the present time and by one in his position were very dangerous, and that I should inform my government fully in the matter, and also correct from his own statement the stories current in the city, and that I regretted that he did not choose to give me his statement in writing.

The above is an accurate statement of the substance of the conversation.

S. A. HURLBUT.

No. 386.

Mr. Hurlbut to Mr. Blaine.

No. 34.] LEGATION OF THE UNITED STATES,
Lima, Peru, December 14, 1881. (Received January 4, 1882.)

SIR: I wrote you in my last (No. 33) by the Italian naval vessel Christopher Columbus specially in regard to the singular conduct of Sir Spencer St. John.

On the 8th of December, at a meeting of the diplomatic corps, an official copy of Piérola's decree of renunciation and proclamation was read. It is the same of which I sent you a translation in my No. 32.

Montero, as vice-president, has been promptly recognized in Arequipa, but as yet Carceres has not come out. I hear from him every week, and he promises faithfully; I feel sure that he will do it.

Montero also sent an official communication to the diplomatic body, asking recognition. As yet no joint action has been taken, and I believe that the English and French ministers will not recognize any one until Chili leads the way.

Piérola is still in the city. On last Sunday there was an attempt to get up a public meeting in his interest, but the attendance was small and disreputable, and the military authorities dispersed it.

On the 9th December the Chilian authorities seized the municipalidad, which is the local government of the city and its surroundings, and have taken full charge.

I do not know their purpose; it may be evidence of permanent occupation or it may be that they want better police.

General Charles Adams went to sea on Saturday on the United States ship Adams (10th December), and after proceeding 100 miles or so the engine broke down and the ship came back under sail. He was quite at a loss what to do, as it will take a week to repair, and consulted with me. I recommended him to wait for repairs and also for the arrival of Messrs. Trescot and Blaine, from whom he could undoubtedly receive very valuable information, which otherwise would be required to be sent by special messenger.

I trust this conduct will be approved, as in fact no time will be lost, and further that Mr. Adams may not suffer pecuniary loss by being unable to complete his voyage in the time limited.

I have just heard from Santiago, from a correspondent who is generally well informed, that before his death General Kilpatrick executed and sealed up a document stating that his note to Valmaseda had been extorted from him, when he scarcely had his senses, and was wholly unfit for the transaction of business.

If this is not true, it is at least probable.

I have the honor to be, sir, &c.,

S. A. HURLBUT.

No. 387.

Mr. Hurlbut to Mr. Blaine.

No. 35.] LEGATION OF THE UNITED STATES,
Lima, Peru, December 15, 1881. (Received January 4, 1882.)

SIR: After closing my regular mail the streets last night were filled with the following extra, which I have only time to translate:

[The Comercio of Callao. Bulletin gratis.]

THE UNITED STATES AND THE WAR OF THE PACIFIC.—THE CONDUCT OF HURLBUT DISAPPROVED BY HIS GOVERNMENT.

To the Minister Altamirano and Novoa:

Our minister in Washington advises:

1st. That Trescot and Blaine, junior, come to Chili and Peru to study the situation, and to harmonize the American minister without any hostility towards Chili.

2d. That the protocol subscribed by Hurlbut and Garcia Calderon, by which Peru cedes to the United States the port of Chimbote for a naval and coal station has been disapproved by the Government of the United States, and communication sent to Hurlbut disavowing his agreement.

3d. That in his message to Congress the President of the United States manifests the attention with which he follows the war of the Pacific.

That his desire for a peace which may check blood and misery, and the fact that the position of the United States is badly understood in America, and his observation that diplomatic questions have been separately and independently treated (alluding to Hurlbut and Kilpatrick), thereby causing misunderstandings, have induced him to send special ministers, who may harmonize friendly relations.

This bulletin has flooded the whole of this city and Callao, and as it is distributed *gratis* it is undoubtedly the work of the authorities.

Steamers left yesterday evening for the south and to-day for the north.

There is nothing very special in the telegrams when dissected, but I think it a Piérola move.

Yours, &c.,

S. A. HURLBUT.

No. 388.

Mr. Hurlbut to Mr. Blaine.

No. 36.] LEGATION OF THE UNITED STATES,
Lima, Peru, December 17, 1881. (Received January 17, 1882.)

SIR: I forward with this another set of papers from Mr. J. R. Shipherd and my answer. I have tried to stop this gentleman, but in vain.

I request that his letters may be read carefully, as they are very singular and very audacious, and that they be retained in the department for future use, if need be.

I am, &c.,

S. A. HURLBUT.

[Inclosure 1 in No. 36.]

Mr. Hurlbut to Mr. Shipherd.

LIMA, *December* 17, 1881.

JACOB R. SHIPHERD, Esq., *New York:*

SIR: I have tried, as far as I could, to make you understand that I cannot have, and ought not to have, anything to do with your company or yourself as its agent, or with any other similar.

Both my general and particular instructions forbid me from taking notice of such matters, unless referred to me by the Department of State. Once more, and for the last time, I repeat this statement.

I shall return your papers to the Secretary of State, as I have done the others, and definitely close all correspondence with you, unless directed by the Department.

Your obedient servant,

S. A. HURLBUT.

[Inclosure 2 in No. 36.]

Mr. Shipherd to Mr. Hurlbut.

THE PERUVIAN CO., 10 SPRUCE ST.,
New York, November 14, 1881.

SIR: It occurs to me to advise you of the important fact apropos of your mention of the proposed sale of Theophile Landreau's interest to the Chilians that it is notoriously charged, and frankly admitted here by all who seem to be well informed in the premises, that both the Landreaus not only long since parted with all their interests in what is known as the Landreau claim, but have ever since unscrupulously continued to offer and to sell to whomsoever would buy additional, and of course purely ideal, shares *ad libitum*; indeed the sum of my information is that they have in this manner resold the entire claim at least three times.

It is obvious that if the Chilians should pay in good faith a large sum for a bad title, the present complications, which would seem sufficient, must be gravely increased. I am now engaged with persons who think the original title can be reached and disentangled, but this is by no means certain. Of the gross oversale there can be no question; nor can it be doubtful that whatever the title the claim must be subordinated to Cochet's, and can have no value until Cochet's demands shall have first been satisfied.

I may safely place these facts at your command, and rely upon your discreet use of them to prevent needless trouble.

I am, &c.,

JACOB R. SHIPHERD.

[Inclosure 3 in No. 36.]

Mr. Shipherd to Mr. Hurlbut.

THE PERUVIAN CO., 10 SPRUCE ST.,
New York, November 15, 1881.

SIR: * * * writes me, "Hurlbut telegraphs that the Chilians have captured Calderon and carried him to Chili." * * * adds, "There must be trouble now. Have * * * do his duty. American influence in America is at an end if Chili can slap our face as flatly as this."

We heard also by cable of Montero's acceptance.

We appreciate the gravity of the new issues, and the new problem which you must now face. The letters I inclose with this were already written when * * * letter came to hand, and I will not now change them. The need for a protectorate is but increased by all that has happened, and I doubt not Chili will continue to force the issue. Our people hope she will. What we want is our government at the fore, and all winds that blow that way fill our sails.

I reply to * * * "I totally agree with you as to Chili. She must unconditionally return Calderon to executive liberty, or we must all take partners for the dance. I trust Mr. Blaine will plant his flag and his guns right there; and he will, won't he?"

I shall consult * * * to-day, and he and I may go to Washington on Thursday. We shall do what lies in our power to second all the vigor you have used on the main issue.

I am, &c.,

JACOB R. SHIPHERD.

[Inclosure 4 in No. 36.]

Mr. Shipherd to Mr. Hurlbut.

THE PERUVIAN CO., 10 SPRUCE ST.,
New York, November 15, 1881.

SIR: Since my note by the last steamer the question of a definite protectorate has grown in relative importance, and is now being seriously discussed.

The general sentiment among our people, as among our advisers—and you will not forget that we include representative men and advisers of all factions and parties, and I may say once for all that no suggestions will be found in this correspondence which have not in the precise form here set down first received the concurring approval of all who advise the executive of this company. I say it is now the general sentiment of our people that there should be a protectorate if the Peruvian Government as such is to be saved. Our information is that the national debilities, of which the more vigorous Chilians have so easily taken advantage, are too deeply seated to be already purged by those adverse fortunes which do sometimes purge a people, and that the factional dissensions of the country present separate problems equally unpromising.

Assuming that our plans succeed we must inevitably accept the general responsibility of maintaining order, and to this end we must seasonably determine a controlling policy

We may, no doubt, arrange with the Chilians for aid, but an American protectorate seems to promise more satisfactory results, all things considered.

Upon this general question, however, we shall be glad to receive and carefully to consider your matured advice.

The more immediate purpose of this note is to suggest that if Mr. Calderon desires direct aid from Washington he shall lose no time in asking for it.

That he should ask it, and not merely in his executive capacity but under conditions which will show clearly that the prayer is the prayer of his people, is an obvious prerequisite to any consideration of the question by the President or by Congress.

If I were at liberty to use names I might give that of * * * authorized to speak directly for * * * whose suggestion is that Mr. Calderon accredited a special deputation of, say, three of his ablest men to come at once to Washington to present to the President for transmission to Congress—which will be in session when this reaches you—a formal application for a protectorate; that this deputation have full powers and remain here at the command of Congress until the application shall be finally disposed of.

The sentiment of our people seems to be unanimous upon such points as these.

I. The only ground upon which such an application would receive any favor, and, therefore, the only ground upon which the petition should by its own terms rest is that there are now in Peru very large American interests demanding and being clearly entitled to American protection, and these may be specified generally as—

1. The interests of this company.
2. The interests represented by Mr. W. H. Cilley.
3. The Landreau claim, concerning which you have already been instructed.
4. Lesser interests in the aggregate.

These specifications might well be enforced with reference to the fact that the Monroe doctrine and the more recent and now definitely named "Blaine doctrine" render the intervention of any European power impossible, and there might be a reference in this connection to Captain Eads's American ship-railway project which is to be before Congress this winter, and which * * * tells me he shall now heartily favor and with which I may add we shall probably give hands for future use.

II. No suggestion would be entertained at Washington, or by our people at large, or would be favored by this company, which looked, however indirectly, to the assumption by our government of any pecuniary liability whatever. All the expenses of the protectorate itself must be paid, sooner or later, by Peru, and no proposition for a guarantee of any of Peru's obligations would be considered for a moment; more than this, an application not *expressly excluding* all possibilities of this kind would probably defeat itself. The *strong hand* of the United States as a *helping* hand will probably be extended if this above is asked for.

III. The application will only succeed if actively supported by the now very influential voice of this company, and the deputation should be instructed to present only such an application as this company shall, in advance, entirely approve. Upon this point I will go so far as to say that it is the corner-stone of the whole case.

IV. If any application of this sort is to be attempted you will yourself see that not a moment is to be lost.

So important a question would be debated for months, and unless introduced very early in the session would probably fail for mere want of time.

You should advise me by cable the moment a decision is reached. I could then utilize the weeks intervening the arrival of the commissioners to excellent advantage.

V. It is not now believed that a protectorate if granted need continue more than a few years. The return of peace under a government absolutely stable would rapidly restore normal conditions, and the development of the comprehensive plans of this company would, at no distant day, establish a condition of things under which foreign aid would cease to be useful.

It is advised that the application would be almost certainly granted if made in this view, but no proposition for annexation would be considered, and a permanent protectorate would look like annexation under a thin disguise. In a word, *temporary* aid under the conditions suggested could hardly be refused; a permanent, or probably permanent, governmental responsibility at so great a distance would probably be declined.

It will occur to you without suggestion that in any event the more modest the prayer in the first instance the more likely it is to be granted, and that if our government does but once undertake to compose the pending difficulties it may be safely set down that she will not stay her hand until the whole work is thoroughly done, no matter what the cost of success may finally turn out to be; here, as elsewhere, it is the first step only that costs, and if it is *effectual help* that Peru wants her supreme wisdom is to make her prayer effectual in the first instance.

If she will follow strictly the advice I give her, she will be certainly saved.

I shall at all times value such information and advice as you may think it opportune to supply.

I am, &c.,

JACOB R. SHIPHERD.

[Inclosure 5 in No. 36.]

Mr. Shipherd to Mr. Hurlbut.

THE PERUVIAN CO., 10 SPRUCE ST.,
New York, November 15, 1881.

SIR: I decide to say a word to you in exceptional frankness, perhaps, but in a temper which I trust will vindicate the utterance.

I assume that you may, upon all I have already written, and upon the change of administration, not unnaturally query what bearing the course of events is likely to have upon your continuance at Lima. I am, perhaps, better situated than any other individual to throw light upon this question, and deem it perhaps a duty to do so.

I therefore remark:

1. That your failure to call upon me before sailing was most unfortunate.

In the premises our people deem the omission inexplicable upon any admissible grounds.

2. Whether, through any fault of yours or not, the impression has had wide currency at Lima and elsewhere that you had substantially identified yourself with the cause represented by the notorious Suarez—a cause which our government had peremptorily and persistently refused to aid, even before it became a rival of American interests.

3. The notable indifference to our interests and the inexplicable treatment of the inclosures intrusted to you I referred to in my reply to yours of October 1.

These circumstances, taken together, had determined our people to demand your unconditional removal, when your letter of October 1 opportunely arrived. We now, so far as ourselves are concerned, wait further advices. I cannot suppose that you

should think it strange that we should view the duty of a minister in your circumstances as we do. But the tide has turned, and you cannot need any announcement to acquaint you with the fact that the new Secretary, who is expected to take office early in December, will be politically in sympathy with those who have the ear of the President, and who have substantial reasons for seeking your removal.

If you shall henceforth support American interests (which alone you are commissioned and paid to promote) as heartily as you have so far supported Peruvian and Calderonian interests, you may be sure that we shall not ask your removal, and on the contrary, as at present advised, we shall definitely favor your continuance; but if you are to champion all other interests before ours we shall certainly call for a change, and we have the most substantial reasons for believing that such a call will be affirmatively answered whenever made.

Upon the whole record what I so frankly say need not be misconstrued. It is pure frankness and nothing else. As I have constantly said we expect only of you the attitude and the services which in our judgment are compelled by the very nature of the office you hold. That attitude and those services will meet not only all our needs, but our utmost wishes. If you stand for us at the front as your chief stands for us at Washington, you will certainly not be liable to criticism for too much zeal, and still you will do all we ever desired you to do.

So far you have fallen infinitely below that level, and if I were less frank in saying so I should be less sincerely your friend.

I am, &c.,

JACOB R. SHIPHERD.

[Inclosure 6 in No. 36.]

Mr. Shipherd to Mr. Hurlbut.

THE PERUVIAN CO., 10 SPRUCE ST.,
New York, November 16, 1881.

SIR: I inclose with this, apropos of a suggestion heretofore made, a copy of * * * brief upon the precedents for a direct treaty between the Government of Peru and the Government of the United States, to cover the essential rights and interests of this company, and as a foundation upon which both Peru and this company may safely ground the proposed agreement between themselves.

* * * concurs in * * * view in a careful memorandum from which I quote:

"I anticipate that the Secretary of State will, without serious debate, admit the following propositions as resting upon constitutional usage from the foundation of the government, viz:

"1. That the President may negotiate treaties through an agent or representative whose designation or appointment has not been submitted to the Senate.

"2. That the government may, in its discretion, make reclamation of other governments in behalf of its own citizens who have suffered injuries, or in any way have been deprived of their rights.

"3. That all treaties, however negotiated, are only valid and binding upon this government when duly ratified by the Senate. The first two of these positions are well established by the authorities cited in the brief, and the third will not be disputed."

* * * also substantially concurs. The suggestion has not been formally submitted to other counsel.

If these views are sound such a treaty might be negotiated at Washington by an accredited minister or commissioner on the part of Peru and such special commissioner as the Secretary of State should designate; or it might be negotiated at Lima by the American minister and such special commissioner as the President of Peru should designate.

It is also apparent that this treaty might conceivably deal with some phases and possibly even with the essence of the suggested protectorate.

I shall be glad to consider such suggestions as occur to you in this connection.

I am, &c.,

JACOB R. SHIPHERD.

In the matter of the claims against Peru owned by the Peruvian Company.

It is agreed that it is very desirable to have a treaty made with Peru without the interference of Chili, for the reason that the latter government would, *first*, if possible, supplant the present Government of Peru by the "bandit mountaineer," or some other

military chieftain, upon condition that he should defeat the treaty; and, *second*, would seek to stir up other governments; and, *third*, would appear in our own Senate for such purpose. Can such a treaty be made?

First. By article 2, section 2, of the Constitution, the President has the power, by and with the advice and consent of the Senate, to make treaties. Is such consent a prerequisite? Nearly three hundred treaties answer to the contrary, and the Constitution makes it no more a prerequisite as to treaties than as to officers.

In some instances the persons representing the Government have been selected by and with the advice and consent of the Senate, notably as to the treaties made with Great Britain, after the adoption of our Constitution and the war of 1812; two treaties with France, which involved claims, and one with Spain, but an overwhelming preponderance of treaties have been negotiated by persons appointed by the President without any reference to the Senate, until presented for approval. These persons have been sometimes ministers plenipotentiary, sometimes ministers resident, then chargé d'affaires, consuls, and special agents or commissioners, and sometimes by the agent of the plenipotentiary, as in the treaty with Algiers, concluded September 5, 1795, ratified March 2, 1796, and as in the treaty with Tripoli, concluded November 4, 1796.

Second. Is it the duty and has it been the practice of the United States Government to conclude treaties relating to private claims?

The first treaty in regard to private claims was concluded November 19, 1794, ratified October 28, 1795, and was with Great Britain. By article 6 of such treaty compensation is provided for debts due to British creditors; by article 7, for losses "by divers merchants and others, citizens of the United States, by reason of irregular or illegal captures."

The treaty with France, concluded September 30, 1800, ratified July 31, 1801, by its fifth article provides for the payment of debts "by the individuals of one with the individuals of the other" nation.

On the 11th of August, 1802, a treaty was concluded with Spain, ratified January 9, 1804, by the third article of which all claims made by citizens of the United States may be presented to certain commissioners.

Charles Pinkney negotiated this treaty for the United States.

On the 30th of April, 1803, a treaty with France was concluded, by the first article of which certain debts due by France to citizens of the United States were provided for

The representatives of the United States were appointed by and with the advice of the Senate.

On the 22d of February, 1819, a treaty was made with Spain by which Florida was acquired, and the United States assumed to pay five millions of dollars of debts due from Spain to citizens of the United States. (See article 11).

This treaty was ratified February 22, 1821, negotiated for the United States by the Secretary of State.

On November 13, 1826, a treaty was concluded with Great Britain, ratified February 6, 1817, by the first article of which twelve hundred and four thousand nine hundred and sixty dollars is to be paid to the United States for the use of the persons entitled. This treaty was negotiated for the United States by Albert Gallatin.

On the 28th of March, 1830, a treaty was made with Denmark, ratified June 5, 1830, by which that government agreed to pay six hundred and fifty thousand dollars on account of the citizens of the United States. This treaty was negotiated on the part of the United States by Henry Wheaton, chargé d'affaires.

On July 4, 1831, a treaty was made with France, ratified February 2, 1831, by the second article of which twenty-five millions of francs were to be paid to the United States to satisfy claims of its citizens (see article 1). William C. Rives acted for the United States.

On the 14th of October, 1832, a treaty was made with the Two Sicily, by which two millions one hundred and fifteen thousand ducats were to be paid to the United States to be distributed among certain claimants, less seven thousand six hundred and seventy-nine ducats, to be retained by the United States for certain expenses. This treaty was negotiated for the United States by John Nelson, chargé d'affaires, and was ratified June 8, 1833.

On the 17th day of February, 1834, a treaty was made with Spain, ratified August 14, 1834, Cornelius P. Van Ness, envoy extraordinary, acting for the United States, by which twelve millions of reals were paid to the United States in satisfaction of all claims.

On the 11th day of April, 1838, a treaty was made with Texas, ratified July 6, 1838, concluded by the chargé d'affaires of the United States, by which the sum of eleven thousand seven hundred and fifty dollars was to be paid to the United States, to be distributed among certain claimants, American citizens.

On the 11th day of April, 1839, a treaty was made with Mexico, John Forsyth, Secretary of State, acting for the United States, ratified April 7, 1840, by which claims of citizens of the United States were referred to four commissioners, two to be appointed by the United States, two by Mexico; the King of Prussia to act as umpire, for any

sum of money found due citizens of the United States. Treasury notes were to be issued.

On the 30th of January, 1843, a further treaty was made on the same subject, ratified March 29, 1843, Waddy Thompson, envoy extraordinary, acting for the United States.

On the 17th of March, 1841, a treaty was made with Peru, James O. Pickett, chargé d'affaires, acting for the United States, by which three hundred thousand dollars were to be paid to the United States for claims of its citizens, proclaimed February 21, 1844.

On the 27th day of January, 1849, a treaty was made with Brazil, David Todd, envoy extraordinary, acting for the United States, ratified January 18, 1850, by which five hundred and thirty thousand milreis were to be paid to the United States for the claims of its citizens. (Articles 1 and 2.)

On the 26th day of February, 1851, a treaty was made with Portugal, ratified June 23, 1851, Daniel Webster, Secretary of State, acting for the United States, by which certain claims presented by the United States on behalf of the officers and crew of a privateer should be referred to some sovereign of a friendly nation.

On the 8th day of February, 1853, a treaty was made with Great Britain, Joseph Reading Bissell, envoy extraordinay, acting for the United States, ratified July 26, 1853, by which it was agreed that all claims on the part of corporations, companies, or private individuals, citizens of the United States, upon the government of Her Britannic Majesty, presented since the treaty of Ghent, should be referred to certain commissioners.

On the 10th of September, 1857, a treaty was made with New Granada, ratified November 8, 1860, Lewis Cass, Secretary of State, acting for the United States; a board of commissioners was organized to adjust the claims of the citizens of the United States against New Granada.

On the 8th day of November, 1858, a treaty was made with China, William B. Reid, envoy extraordinay, acting for the United States, by which five hundred thousand taels were to be paid for the satisfaction of claims of American citizens.

On the 10th of November, 1858, a treaty was made with Chili, ratified October 15, 1859, John Bigler, envoy extraordinary, acting for the United States, by which it was referred to the King of Belgium to arbitrate claims made by citizens of the United States for silver taken in bars by the vice-admiral of the Chilian squadron.

On the 14th of January, 1859, a treaty was made with Venezuela, Edwin A. Turpin, minister resident, acting for the United States, ratified February 26, 1861, by which the former government agreed to pay certain citizens of the United States on account of being evicted from the Aves Island the sum of one hundred and thirty thousand dollars.

On the 4th day of February, 1859, a treaty was made with Paraguay, ratified March 7, 1860, by which the claims of the United States and Paraguay Navigation Company, a company composed of citizens of the United States, were referred to a commissioner, James B. Bowlin, special commissioner, acting for the United States.

On the 2d day of July, 1860, a treaty was made with Costa Rica, ratified November 9, 1861, by which all claims of citizens of the United States for injuries to persons or damages to property were referred to a commissioner, Alexander Dimitry, minister resident, acting for the United States.

On the 25th of November, 1862, a treaty was concluded with Ecuador, ratified July 27, 1864, United States represented by its minister resident, by which "all claims on the part of corporations, companies, or individuals, citizens of the United States, upon the Government of Ecuador," were referred to a commissioner.

On the 20th of December, 1862, a treaty was made with the Government of Peru, ratified April 21, 1863, by which claims of the owners of vessels, citizens of the United States, were referred to a commission, the envoy extraordinary representing the United States.

On the 12th of January, 1863, a treaty was made between the same governments, ratified April 18, 1863, by which "all claims of citizens of the United States against the Government of Peru" were referred to a mixed commission, same envoy acting for the United States.

On the 10th day of January, 1864, a treaty was made with Columbia, ratified August 19, 1865, extending a commission, proclaimed the 8th of November, 1860, the Secretary of State acting for the United States.

On the 22d of October, 1864, a treaty was made with Japan, proclaimed April 9, 1866, by which there was to be paid three millions of dollars to four powers, the United States being one, "to include all claims of whatever nature," the minister resident representing the United States.

On the 25th of April, 1866, a treaty was concluded with Venezuela, ratified April 17, 1867, by which "all claims on the part of corporations, companies, or individuals, citizens of the United States, and the Government of Venezuela," which had been presented, were referred to a mixed commission.

On the 4th of July, 1868, a treaty was made with Mexico, by which claims for inju-

ries to persons and property by "corporations, companies, or private individuals, citizens of the United States and the Government of the Mexican Republic," should be referred to commissioners, two to be selected by each government, providing for an umpire, ratified February 1, 1869, United States acting by its Secretary of State.

On the 4th day of December, 1868, a treaty was made with Peru, ratified June 4, 1869, referring claims of citizens of the United States to commissioners, the same as in the last recited treaty.

On the 12th of February, 1871, a treaty was made with Spain, Daniel E. Sickles, envoy, acting for the United States, by which "the settlement of the claims of citizens of the United States or of their heirs against the Government of Spain," for injuries to persons or property, should be referred to arbitrators and an umpire.

On the 8th of May, 1871, a treaty was made with Great Britain, ratified June 17, 1871, by which the Alabama claims were referred to arbitration. The United States finally waived all government claims and recovered only for claims to be distributed to individuals.

On the 27th of November, 1872 a treaty was made with Mexico, ratified March 17, 1873, by which a commission was continued to consider certain claims of citizens of the United States.

I am not unmindful of the criticism of Senator Sumner on the Clarendon-Johnson treaty, nor of the principles contended for in the discussion on the "Treaty of Washington, relating to the Alabama claims," but a treaty can be framed fully protecting the Peruvian company in harmony with such principles.

* * *

Of Counsel.

OCTOBER 1, 1881.

No. 389.

Mr. Hurlbut to Mr. Blaine.

No. 37.] LEGATION OF THE UNITED STATES,
Lima, Peru, December 22, 1881. (Received January 17, 1882.)

SIR: Your dispatches Nos. 17, 18, and 19, have been received.

My dispatch No. 20 was of the date of October 12, 1881.

I have read the last dispatches, Nos. 17, 18, and 19, with great care, and regret that in the last you have thought proper to disapprove certain portions of my letter to García y García, and the Lynch memorandum.

As to the latter I think that upon reading it again you will find that it does contain the very idea, if not the phrase, to the absence of which you except. It has certainly been so understood by the numerous papers in America and in Europe which have published and commented on it. I am aware that it is exceedingly difficult to bring the peculiarities of this people and the existing condition of affairs fairly before the understanding of the American people, or even of the Department. Permit me briefly to sum up the situation, not at all in the way of argument or of self justification, but as a key to the springs of my action.

The United States had recognized the constitutional government presided over by Calderon.

There was a clear understanding with Chili that they too would aid in the establishment of this form af government. It was weak and powerless, wholly within the Chilian military lines, unpopular because believed to be the creature of Chili.

The Piérola dictatorship, child of crime and bloody revolution, held everything outside of the Chilian lines, and was believed to represent the sentiment of national independence.

I availed myself of the letter to García y García (which was not official) to strike this tyranny a hard blow. I admit that it was an imprudence to use the name of the United States at all in that letter. But that letter demolished the Piérola dynasty and united the rest of the country on Calderon, thus throwing the moral weight of the United

States in favor of the orderly *régime* of constitutional law, and against violent revolutions culminating in despotism.

This effect, so produced, unmasked the Chilian pretenses, and demonstrated their bad faith toward the United States, for the moment the Calderon government became strong, that moment they stamped it out of existence by military force.

The capture of Calderon, under the circumstances, is very nearly an insult offered to the United States. If you choose to look over the whole series of my dispatches from the very first you will find expressed the clear conviction that there is no possibility of peace on any endurable terms by the action of Peru alone.

You will further observe that the United States have forbidden the application for aid to any European power.

Given these two principles of its action, and the result is inevitable, that in its extremity this nation must look to the United States alone. I have also tried to show that the dignity of the United States and its legitimate influence demanded a temperate but firm operation of certain great principles of international law which apply and ought to apply to such cases on this continent, and which have been officially recognized by Chili in the beginning of this war. To the repeated statements, so made by me to the Department, in all of which I asked speedy answer, I have received none until the dispatch No. 19, except telegraphic instructions to continue to support the Calderon government, which instructions I considered tacitly approved.

This, of course, is due in large measure to the lamentable events of the past summer and fall, to the long and desperate illness of President Garfield, and to the changes incident to the succession of President Arthur. My work in this country has been done in absolute good faith, and with the single purpose of advancing and maintaining the influence of the United States. It has been accomplished thoroughly.

The questions now to be handled are not with Peru, but with Chili, and are consequently to be treated by other persons and in a different form.

But the ground is thoroughly prepared for any action which the United States may think proper to take and to any extent they may think proper to go.

In the future I become, in the natural course of events, a very insignificant factor, as it appears to me that I have nothing to do but to keep Peru from splitting again into fragments and parties.

For weeks the Chilian papers in this city, published under official inspection, have been filled with very vile matter against the United States and against me personally, of which I can take no notice.

The leading papers in Chili are now full of articles against the ambition of the United States, their purpose of aggrandizement, and the dangers therefrom to the Spanish American States.

The commission to Chili will not have an easy time by any means, and it will require tact, patience, and above all firmness and nerve to meet the case. I have studied these people closely, and they must be met with perfect decision.

I notice in your No. 19 that you disapprove of a supposed telegram sent by me to Buenos Ayres. The fact is this: I sent to General Kilpatrick a letter inclosing this telegram, to be forwarded to Osborn, our minister:

OSBORN, *Minister:*

Argentine minister needed here. Inform government.

HURLBUT.

This telegram, the Chilian papers say, was submitted by Kilpatrick to the Chilian ministry before sending it. He himself accompanied it with another, dissuading Osborn from doing so. I felt the need of an Argentine minister, and sent the telegram. I submit to your decision as to the impropriety of the movement. I am informed that Mr. Uruburie, Argentine envoy to Chili and Peru, is hourly expected in Santiago. I should not have written this very long communication except to meet the case of a very probable change in the Department (already announced by Chilian telegrams), and so that the incoming Secretary might find a *resumé* of my views and actions in a convenient and compact form.

I have, &c.,

S. A. HURLBUT.

No. 390.

Mr. Hurlbut to Mr. Blaine.

No. 38.] LEGATION OF THE UNITED STATES,
Lima, Peru, December 22, 1881. (Received January 17, 1882.)

SIR: Vice-President Montero has appointed two gentlemen in Lima, Mr. Elias and Mr. Candamo, as his special confidential representatives to the diplomatic corps, which fact renders intercourse more easy, while Montero is still in the interior, and this legation at Lima.

I am sir, &c.,

S. A. HURLBUT.

No. 391.

Mr. Hurlbut to Mr Blaine.

No. 39.] LEGATION OF THE UNITED STATES,
Lima, Peru, December 28, 1881. (Received January 17, 1882.)

SIR: Messrs. Trescot and Blaine arrived at Callao on the 22d instant, came to Lima on the 23d, and left for Chili on the 25th.

They saw many people here. I had the honor of a brief conference with Mr. Trescot; I informed him that, in my opinion, the immediate release of Garcia Calderon should be demanded, and I have the honor to repeat that opinion to you.

There is no decent justification for the act, and it was meant more as a blow at the United States than for Peru. If I were charged with the question, I should make it a peremptory condition; as I am not, I can only give my views of what is due to the honor of my country.

I send to the Department three communications lately received from Mr. J. R. Shipherd, which will bear reading. I also send the envelopes, from which the Chilians easily see that this person is in correspondence with this legation.

This man is doing infinite mischief. His prospectus and other papers now fill the papers in Chili and are followed by editorials extremely abusive, not only of Mr. Calderon and the United States minister in Lima, who are falsely charged to be in conspiracy in this affair, but also as to the United States. A very distinct official notice of the true attitude of this legation and of the Department ought at once to be given to Chili.

I also forward with this, a letter which I am informed is an autograph communication from Vice-President Montero.

I have, &c.,

S. A. HURLBUT.

[Inclosure 1 in No. 39.]

Mr. Shipherd to Mr. Hurlbut.

[The Peruvian Company, 10 Spruce street, New York. Post-office box 3448.]

NOVEMBER 26, 1881.

SIR: Yours of October 26 is at hand, and your suggestions have attention.

The capture and extradition of Calderon and his minister since you wrote have changed the apparent issues greatly, and for the moment we wait further developments.

The drift of events as a whole tend, as I now think, toward a change of the base of negotiations from Lima to Washington. Thus:

1. Peru's only hope lies in the United States and in this company.

2. If the United States and this company undertake to help her, they will dictate the terms of settlement alike to Peru and to Chili, and this they can better do at Washington than at Lima.

3. These terms will probably imply a protectorate, and a protectorate can only be created by the Senate, through a treaty, or by Congress, or by both. As I have already written you, this protectorate should be instantly asked for by accredited deputies sent from Lima to Washington.

4. Within the last thirty days a Chilian functionary of the highest rank made this declaration:

"By far the most dangerous element in the whole situation is the claim of the Peruvian Company. I have carefully and repeatedly examined their papers, and I don't for the life of me see how we are going to get round that claim. It gives me more anxiety than any possible action of the United States Government apart from it. The Peruvians will of course admit the claim, and then the United States Executive is bound to back it up, and what answer can we make? It troubles me more than I can describe."

5. I know that the Chilian minister at Washington has practically determined to seek a conference with me at an early date; on my part I am about to take a step which will make it easy for him to do so; the moment he and I arrive at an understanding all the rest will be easy. Be assured I shall assume Peru's concurrence at the outset, but only until she has a fair opportunity to speak for herself. The first moment she *can* speak, she must speak, or I shall drop her out of the account.

6. I am semi-officially advised that the Chilians have demanded your removal, and have been denied; and I know that by the next steamer Señor Martinez will (unless he changes his present determination) ask for power to treat with Mr. Blaine and the president of the Peruvian Company direct.

7. Mr. Martinez is working night and day to secure utterances of the press here favorable to the Chilian course, and not without some success; he regards this the battle-ground yet to be won.

I cannot too strongly assure you that the interests of Peru at Washington are in wretchedly incompetent hands, and such an appointment as I suggested (Mr. Tracey) or far better a direct deputation asking a protectorate, is of the utmost importance. In any event * * * and * * * who think of nothing but the impossible *société* contract, cannot too soon be abolished altogether. I say this only in the interest of Peru; this company has not the slightest ill-will toward either; indeed, it will gladly show them any personal courtesy or kindness in its power. I told * * * months ago, also, that our plans were liberal enough to take in the *société* itself on a fair basis, our motto being, "Live and let live" on all sides; but he makes no response.

As soon as your letter came I sent a copy to * * * through * * * No expense will embarrass us; no problem will discourage us. You are very safe in your assumption on this point; but we have, for fundamental reasons, asked little direct aid from the government as yet.

After Mr. Blaine had formally advised me of the filing of our demands and the proofs of their service, I did suggest that he might forward copies to the minister at Lima and at Santiago, to be presented by the minister with the remark that the company was known to the Department to be composed of reputable gentlemen whose representations were entitled to entire respect; but he seemed to think such an

instruction unnecessary, remarking that it was, of course, the business of ministers to afford always their unofficial good offices, &c. I frankly think the instruction should be sent, but relying as I now do upon your entire good-will, and expecting nothing from Santiago, I do not press the point.

Not a little criticism of your course has appeared in print, but the unfortunate letter to Piérola's secretary is chiefly chargeable with it. That letter, however true, was unnecessary and impolitic. We are all compelled to admit so much. But your memorandum to Admiral Lynch, the secretary and I stoutly defend, and will defend, and I shall take the necessary measures to antidote Mr. Martinez's negotiations with the press.

I was in Washington again last week, and had a full talk with * * * at * * * suggestion, and upon his introduction. My chief point was that the Executive might avoid a discussion of the abstract question of intervention by substituting the not-debatable question whether it is not bound to take such charge of the situation as may be necessary to the protection of American property interests in Peru. Mr. Cilley was with me. We have practically united interests, and we two stood at the interview for $1,500,000,000 of American property. While properly reticent, * * * was evidently impressed with the suggestion, and * * * and others who have his ear, will follow it up.

The situation at the moment of this writing seems to be this:

1. The United States must see to it that Peru has an authorized executive, and that he is left perfectly free to treat with the United States and with this company.

2. Such executive, if he is wise, will use his first moment of liberty in admitting our claim unconditionally, and his next in basing on it and on Mr. Cilley's large interests direct application for an American protectorate. Leave the rest to this company, and you will not be disappointed.

I am, sir, your obedient servant,

JACOB R. SHIPHERD.

Hon. S. A. HURLBUT, *Lima.*

[Inclosure 2 in No. 39.]

Mr. Shipherd to Mr. Hurlbut.

[The Peruvian Company, 10 Spruce street, New York. Post-office box 3448.]

NOVEMBER 29, 1881.

MY DEAR SIR: Yesterday I heard through a mutual friend from * * * He assures us in gratifying terms of your fidelity to Peru and of your readiness to promote our places, so far as they shall be found well founded and practicable, but gives as a first impression the opinion that neither Landreau nor Cochet has any rights.

His correspondent, who thoroughly knows Peru and the Peruvians, expresses no surprise and abates nothing from his confident original opinion, either as to merits or as to the outcome. If the Peruvians ever had a moral sense it must have been in a pre-existent state; they have never known it in Peru. As I have heretofore suggested, we have never expected them to be just; we expect them now only to look out for themselves. Certainly the facts are ample to warrant the executive in so construing them as to make a way out for Peru; it contents us that he should discuss it in no other light.

If in such premises even there is not mind enough left to perceive either what is due to equity or wise in the emergency, then indeed are the Chilians wholly right. Peru is rotten to the core and has a right only to sepulture.

I trust by the time this reaches you Calderon will be near you again; if not, then Montero must take the helm. The press is now saying a great deal and largely on the Chilian side. Even the Tribune denounces intervention; in the abstract only these American rights can give the necessary reason to satisfy our public, and it would seem indeed incredible that Peru should miss such an opportunity.

We can easily deal with Chili, and you may assure Peru that we shall not wait on her long.

So long as you stand with us we will stand faithfully for you. You have deserved and have won Peruvian confidence; you have made Chili an enemy; we deal only with the facts; you may rely on our whereabouts with mathematical certainty.

Very truly, yours,

JACOB R. SHIPHERD.

No. 392.

Mr. Elmore to Mr Frelinghuysen.

LEGATION OF PERU,
Washington, January 23, 1882. (Received January 23.)

SIR: Most of the public prints of the 18th instant, published a cable dispatch from Buenos Ayres, dated 17th January, announcing the conclusion of a treaty of peace between Bolivia and Chili, "the conditions, being that Bolivia shall surrender her territory along the coast and break off her relations with Peru."

When I read the news, I firmly believed the report false, although it is known that from the beginning of the war, Chili has been trying to obtain that result, it being Señor Santa Maria himself (now President of Chili), who, early in 1879, made his best efforts, unsuccessfully, to persuade President Daza, of Bolivia, to break off her alliance with Peru, offering Bolivia a piece of the Peruvian coast in exchange for betraying her ally.

Wishing to know the truth in regard to so grave a report, I at once telegraphed to Señor Rosas, the Peruvian minister in Paris to make the proper inquiries by cable on the subject, and on Saturday night, the 21st instant, he communicated to me the reply, dated Lima, 19th January, stating that the alliance between Peru and Bolivia continues.

I had also previously received mail advices from Peru, informing me that the Government of Bolivia (as also that of Ecuador) had recognized the constitutional government of Señor Calderon, now represented by the Vice-President Montero, who was appointed by Congress, and who is now acting President.

I have the honor to communicate the above facts to your excellency, and to renew, &c.,

J. F. ELMORE.

4.—FRANCE.

No. 393.

Mr. Morton to Mr. Blaine.

No. 6.] LEGATION OF THE UNITED STATES.
Paris, August 11, 1881. (Received August 24.)

SIR: The attitude and correspondent relations of France, England, and the United States, with the South American States, Chili and Peru, since the late termination of hostilities was the subject of a private interview which I had the honor to have yesterday afternoon, at the palace of the Elysées, with President Grévy. The meeting was unofficial and sought by his excellency for a mutual exchange of thoughts on a subject which appeared to have received his careful study. In the conversation which ensued, his excellency alluded to the two abortive attempts on the part of the governments of France and England towards affecting some practical agreement between these two South American states. He referred in a general way to the desirability of establishing between our respective governments the basis of a mutual understanding in regard to the policy which might be jointly adopted by us both towards securing an early return of order and stability in the

affairs of Chili and Peru, as far as comports with our national traditions and usages in the management of public affairs with foreign states. He spoke of the many unsatisfied claims of French subjects on the Peruvian Government, and expressed his strong disapproval of the extravagant demands made by the Chilian Government and conditions of peace which, if literally enforced, he apprehended would achieve the permanent enfeeblement, perhaps annihilation of the Peruvian states. In using this language, his excellency indeed acknowledged the right of Chili as a conquering power, to certain indemnities and privileges to be embodied in the final treaty of peace, &c., but which he thought required particular modification, and he was of the opinion that another attempt at mediation, on the part of foreign governments, and especially of the United States, was requisite for the purpose of reaching a satisfactory solution of the present state of chaos and disorder, which now there obtains.

In my reply I said I had received from my government, as yet, no instructions or intimation in regard to the course it might pursue towards these South American states. I felt, however, his own views, as expressed to me, would, if presented, receive the most favorable consideration. I continued to say, my government, I believed, had already striven, but without success, to interpose, as the equal friend between Chili and Peru, with a view to a reconciliation, and I had no doubt that, as suggested by President Grévy, a third attempt at mediation on our part would be ventured. And I concurred with his excellency in the hope the heavy demands of Chili might possibly be modified, as I also felt that, if executed, they must limit, if not extinguish, in that State, the future development of private enterprise, as well as the employment of foreign capital, by which alone its natural resources could receive extension. At the close of this interview his excellency requested the informal transmission to you of the substance of his remarks, which I have the honor herewith to do, and I take pleasure to add that I regard this meeting with President Grévy as a renewed instance of the cordial relations now so happily existing between our two republican governments.

I have the honor, &c.,

L. P. MORTON.

No. 394.

Mr. Blaine to Mr. Morton.

No. 30.] DEPARTMENT OF STATE,
Washington, September 5, 1881.

SIR: I have to acknowledge the reception of your dispatch, No. 6, of date August 11, 1881, giving an account of your interview on the day previous with the President of the republic in regard to the attitude and correspondent relations of France, Great Britain, and the United States with the South American states, Chili and Peru.

The remarks made and the suggestions offered by President Grévy concerning the situation of affairs in Peru have received that careful and respectful consideration due to the utterances of so eminent a statesman and the Chief Magistrate of France. I hasten to say that this government agrees with him in profoundly deploring the disorders and sufferings that have already fallen upon, and the others that continue to impend over the people of Peru, and fully shares the humane

and enlightened sentiments which have inspired in him a personal interest in that unfortunate struggle, and have induced him to suggest a concerted effort by France, Great Britain, and the United States to bring the conflict to an end.

Such interventions are frequent in European diplomatic history, and have been sometimes followed by beneficial results in preserving the equilibrium of the powers. But the United States has not belonged to that system of states, of which France and Great Britain are such important members, and has never participated in the adjustment of their contentions. Neither interest nor inclination leads this country to wish to have a voice in the discussion of those questions; but our relations to the states of the American continent are widely different, and the situation is so nearly reversed, that this government, while appreciating the high and disinterested motive that inspired the suggestion, is constrained to gravely doubt the expediency of uniting with European powers to intervene, either by material pressure or by moral or political influence, in the affairs of American states. These republics are younger sisters of this government. Their proximity of situation, similarity in origin and frame of government, unity of political interest on all questions of foreign intercourse, and their geographical remoteness from Europe have naturally given to American states close and especial relations to each other, and in the course of time removed them further from the European system.

The interests, commercial and political, of the United States, on this continent, transcend in extent and importance those of any other power, and where these immense interests are deeply involved this government must preserve a position where its influence will be most independent and efficient. In the contest between Peru and Chili, the United States has watched the progress of the struggle with painful interest, and endeavored, as opportunity offered, to arrange terms of peace; and you will say to the French Government that, while the interest which President Grévy has manifested for the cause of peace, and his sympathy with the unhappy victims of this war, find an earnest response here, both from the government and the people, the United States declines to enter into negotiations with European powers for a joint intervention in the affairs of Chili and Peru.

I have, &c.,

JAMES G. BLAINE.

No. 395.

Mr. Morton to Mr. Blaine.

No. 58.] LEGATION OF THE UNITED STATES,
Paris, October 20, 1881. (Received November 3.)

SIR: A few days since I had the honor of a personal interview with President Grévy, to whom I communicated the subject of your dispatch No. 30, with reference to the affairs of Chili and Peru.

The President expressed himself as in entire accord witht he position taken by the Government of the United States, as indicated in your dispatch and the letter addressed by General Hurlbut to the Chilian admiral—copies of the latter of which having been furnished to the President and myself by Mr. Rosas, the minister of Peru, appointed by the Calderon government.

He added that annexation by a victorious nation of the whole or a large part of the territory of the subdued nation, or even the exaction of an undue indemnity of war, was contrary to the now admitted rights of nations as well as to the interests of neutrals. That a victorious nation had the right to secure the fruits of its victories, there was no doubt, but it had not the right to impose upon its powerless enemy burdens amounting to annihilation.

In reply to my reference to the sentiment and traditions which had so long existed in the United States in regard to what might be termed joint action with European powers, he replied that he was fully aware of the existence of such feeling, and that he could well understand its force and legitimate foundation.

As to the negotiations between Peru and Chili, he said that he had made known his views to me, but with no definite intentions of doing more than extending the good offices of France, if they were needed.

The United States, he further remarked, was fully competent to deal with the matter, and he was glad to see that it had realized the situation, and was ready to meet the circumstances of the case, and France gave a most cordial approval to the action which had been taken by the United States.

I remarked that the United States and many other countries had already recognized the Calderon government, to which he replied that France had not yet done so, because it seemed to her that the Calderon government had rather the support of the Chilian Government than of the people of Peru; but that as soon as it appeared evident that it was national in its character, France would recognize it with pleasure.

Before leaving, the President remarked to me that although our conversation was unofficial in the sense that he could do nothing in the matter without consultation with the minister of foreign affairs, the views and opinions he had expressed were those of the French Government. This statement he emphatically authorized me to make to my government.

In another conversation which I have had since the interview with Mr. Grévy referred to, on the same subject, he reiterated his expression of the foregoing sentiments. I summed up the position taken by France by declaring very explicitly that it was willing to act with or in the same direction as the United States, if the latter so desired, or to leave the Government of the United States to proceed alone, if it preferred the latter course.

I have, &c.,

L. P. MORTON.

No. 396.

Mr. Blaine to Mr. Morton.

[Telegram.]

WASHINGTON, *November* 14, 1881.

The Secretary of State telegraphed Mr. Morton, United States minister at Paris, for the particulars of any interviews he had held of late date with the French Government on the subject of Chilian and Peruvian affairs, and more particularly touching the recognition of the Peruvian minister.

No. 397.

Mr. Morton to Mr. Blaine.

[Telegram.]

UNITED STATES LEGATION,
Paris, November 15, 1881.

Mr. Morton telegraphs the Secretary of State that he has not interviewed the President since his two visits mentioned in dispatch No. 58. Can add nothing except that in his second interview the President disapproved the statement of Mr. Rosas, the Peruvian minister, who understood that he said that in the first interview Mr. Morton had announced that the United States Government was not desirous of European aid. This produced the explicit declaration contained in the dispatch. The indications of recognition of the Calderon government seem less favorable.

5.—MISCELLANEOUS.

No. 398.

Mr. Pettis to Mr. Evarts.

MEADVILLE, PA.,
March 29, 1880. (Received April 3.)

SIR: I am in receipt of information from Mr. Otto Richter, of La Paz, Bolivia, under date of the 15th ultimo, the gentleman nominated by me while in Bolivia as vice-consul-general, and who I left in charge of the legation and archives, that in consequence of President Daza's from Camorones, near Arica, was followed by the substitution of Col. Gliodoror Camacho as commander-in-chief of the troops, and General Campero as temporary President of Bolivia, and thus the whole revolution was effected in a most peaceable way, and the public security has never been disturbed in the least degree. General Campero was expected at La Paz in a few days, and it was reported had convened Congress, to meet at Oruro on the 25th day of next month, for the purpose of electing a new head of the state.

I also inclose a newspaper (Spanish) printed at Arequipa, Peru.

Mr. Richter concludes his letter with the assurance that the business of the consulate has had and will receive his every attention.

I have the honor to be, yours faithfully,

S. NEWTON PETTIS.

Upon reflection I have concluded to forward the letter of Mr. Richter to me.—P.

Mr. Richter to Mr. Pettis.

LA PAZ (BOLIVIA), *February* 13, 1880.

SIR: Favored by your esteemed letters, dated from Callao and Panama and trusting you arrived meanwhile safely in your native country by the present, I beg to inform you of the great changes in political affairs which have happened in Bolivia since your departure.

The retreat of General Daza from Camarones, near Arica, which produced such great an excitement and which remains unexplained till this day, proved to be his misfortune.

Simultaneous manifestations, made at Tacna by the Bolivian army and in all parts of our republic by the people have substituted for him Col. Gliodoro Camacho as commander-in-chief of the troops and General Campeño as temporary President of Bolivia.

On his retirement General Daza has taken up his residence at Arequipa. The whole revolution has been effected in a most peaceable way and the public security has never been disturbed in the least degree.

General Campero is expected to arrive here in a few days, and, it is said, has convened Congress to meet at Oruro, on the 25th of April next, for the purpose of electing a new head of the state.

In order to keep you acquainted with the progress of matters here I have already sent you and will continue to send you newspapers from here which I hope have reached you safely. Should any further changes of importance take place, I will not fail to advise you thereof.

The business of the consulate has had my entire attention since your leaving and will continue to command the same in future.

I have the honor to remain, sir, your obedient servant,

OTTO RICHTER.

Hon. S. NEWTON PETTIS,
Minister Resident of the United States for Bolivia, &c., &c.

No. 399.

Mr. Evarts to Mr. Fisher.

DEPARTMENT OF STATE,
Washington, June 6, 1879.

SIR: Availing myself of the obliging offer recently made by you upon announcing your intention of proceeding to South America, I send herewith a package containing official dispatches for the ministers and consuls of the United States in Peru and Chili, which, in view of the hostilities existing between those countries, it is believed might encounter some delay if consigned to the ordinary channels of communication.

In accordance with your request I also inclose a special passport for your use, and have directed to be sent to your address a copy of the United States treaties, with supplement, and the latest edition of the United States Consular Regulations.

I am, sir, your obedient servant,

WM. M. EVARTS.

No. 400.

Mr. Fisher to Mr. Seward.

CONSULATE OF CHILI,
Boston, June 7, 1879. (Received June 9.)

SIR: In compliance with your request at our interview in Washington on the 4th of June, I take pleasure in forwarding by to-day's mail for the information of the honorable Secretary of State and of yourself, two official pamphlets recently received from the minister of foreign relations of Chili in regard to the present war between that country and Peru and Bolivia, namely:

I. *Cuestion Chileno-Boliviano.*—Exposition del ministro de relaciones esteriores de Chilé sobre los motivos que justifican la reivindicacion del territorio comprehendido entre los paralelos 23 y 24 latitud sur.

II. *Manifesto que el Gobierno de Chilé* dirije a las potencias amigas con motivo del estado de guerra con el Gobierno del Peru.

In regard to the papers and data relative to Chili and Spanish America, referring chiefly to commerce, which you desire for reference, I shall take pleasure in forwarding copies early next week, as soon as I can collect them, and have the honor, &c.,

HORACE N. FISHER,
Consul of Chili.

No. 401.

Mr. Fisher to Mr. Evarts.

CONSULATE OF CHILI,
Boston, June 10, 1879. (Received June 12.)

SIR: I have the honor to acknowledge the receipt of your favor of 6th June, informing me that you had forwarded to me a package of dispatches for the United States ministers and consuls in Chili and Peru; also a special passport for my use as United States bearer of dispatches; also that you had directed a copy of the United States treaties and consular regulations to be sent to my address.

Your letter was received on the 8th, the packages named on the 9th instant, all of which I now acknowledge.

My purpose is to leave for Chili, by the steamer leaving New York on 20th June, unless unexpectedly delayed; in which event I will notify you through the minister of Chili, who, I understand, has arrived in the United States since I had the honor of an interview with you.

I am, &c.,

HORACE N. FISHER,
Consul of Chili.

No. 402.

Mr. Fisher to Mr. Evarts.

VALPARAISO, CHILI, *July* 30, 1879.
(Received September 16.)

SIR: I have the honor to report as follows in regard to the official dispatches intrusted to me as per your letter of 6th June.

June 30.—I sailed from New York for Aspinwall, arriving there July 8, at 4 p. m.; the following day I crossed the Isthmus and embarked on the steamer for Valparaiso, via Callao, which was advertised to leave Panama at 6 p. m. July 9, although from delay on account of torpedo launch for Peru the steamer did not sail until noon July 10.

July 17.—I reached Eten, the port of Lambayeque, Peru; the dispatch for the United States consul at Lambayeque was forwarded through the agent of the Pacific Steam Navigation Company at Eten, who takes charge of the consular mail and copy of whose receipt and copy of my letter to said consul are annexed hereto (A, B).

July 19.—Upon arriving at Callao, I delivered in person the two dispatches for Minister Christiancy and the dispatch for the United States consul at Callao. On the evening of the same day I left Callao for Valparaiso by the connecting steamer.

July 24.—As the port of Iquique was blockaded by the Chilian fleet, the steamer did not enter that port; but I delivered the dispatch for the United States consul at Iquique, Peru, to Captain Salamanca, flag officer of the admiral of the Chilian fleet (who boarded the steamer off Iquique), who agreed to deliver the same by flag of truce.

July 28.—At Coquimbo, Chili, I delivered the dispatch for the United States consul at Coquimbo to the vice-consul at the consulate.

July 29.—Upon arrival at Valparaiso, I delivered, in person, the dispatch for the United States consul at Valparaiso, who also received and agreed to forward the dispatch for the United States consul at Talcahuano, Chili. As Minister Osborn was at Valparaiso when I arrived, I also delivered the two dispatches addressed to him.

As it seems to be a custom or regulation to examine letters at the post-office in Peru at the present time, at least such is my information from disinterested sources, I deemed it advisable to deliver dispatches for the United States consuls at Lambayeque and Iquique, by means of responsible parties rather than through the mail, as it was not possible for me to deliver the same in person. There is no examination of letters in Chili.

Although it is not within the scope of my duty as bearer of dispatches, I take the liberty of stating that the general feeling seems to be that if any occasion for arbitration or mediation in the present conflict on the west coast of South America should arise, the good offices of the United States would be preferred to those of any other country in America or Europe.

I am, &c.,

HORACE N. FISHER,
Bearer of Dispatches.

MEMORANDUM.

Dispatches of United States State Department received and delivered.

		Delivered.
1	Dispatch for United States consul at Lambayeque, Peru	July 17, 1879*
2	Dispatch for United States minister to Peru	July 19, 1879
1	Dispatch for United States consul at Callao, Peru	July 19, 1879
1	Dispatch for United States consul at Iquique, Peru	July 24, 1879†
1	Dispatch for United States consul at Coquimbo, Chili	July 28, 1879
2	Dispatch for United States minister to Chili	July 29, 1879
1	Dispatch for United States consul at Valparaiso, Chili	July 29, 1879
1	Dispatch for United States consul at Talcahuano, Chili	July 29, 1879‡
10		

* Through agent of Pacific Steam Navigation Company at Eten, Peru.
† Through captain, Salamanca, flag-officer of admiral of the Chilian fleet blockading Iquique.
‡ Through United States consul at Valparaiso.

INCLOSURES.

A.—Receipt (copy) of agent of Pacific Steam Navigation Company at Eten for dispatch to United States consul at Lambayeque, Peru.

B.—Letter (copy) to United States consul at Lambayeque, Peru, of July 17, 1879, in regard to dispatch for him.
C.—Letter (copy) to admiral of Chilian fleet, blockading Iquique, of July 24, 1879.

[Inclosures.]

Report dated Valparaiso, July 30, 1879.

A.

Received of Col. Horace N. Fisher, bearer of dispatches of the United States Government, one sealed letter from Department of State, United States of America, to the consul of the United States at Lambayeque, Peru, which I will deliver to him.
Eten, Peru, July 17, 1879.

M. GUERRERO,
Dependiente de la Agencia de la Compañia Inglesa de Valparaiso.

B.

STEAMSHIP LIMA, *Eten, Peru, July* 17, 1879.

SIR: I have the honor to inform you that not being able to proceed to Lambayeque to present in person the letter from the State Department, United States of America, I have delivered the same to the representative of the Pacific Steam Navigation Company at this port, who has agreed to deliver the same to you. Therefore, will you do me the favor to acknowledge the receipt thereof to the United States minister (Mr. Christiancy) at Lima in due course.
I am, &c.,

HORACE N. FISHER,
Bearer of Dispatches.

To the CONSUL OF THE UNITED STATES AT LAMBAYEQUE, PERU.

(MEMORANDUM.—Annexed is a copy of the receipt received from the agent of the Pacific Steam Navigation Company.)

C.

STEAMSHIP ILO,
Off Iquique, Peru, July 24, 1879.

SIR: I have the honor to be bearer of dispatches from the State Department of the United States to the ministers and consuls of the United States in Peru and Chili.
The blockade of the port of Iquique prevents me from delivering my dispatch to the United States consul at Iquique, Peru. Will you, therefore, have the goodness to deliver the inclosed dispatch to the said consul by the first flag of truce, and oblige,
Your obedient servant,

HORACE N. FISHER,
Bearer of Dispatches for the United States Government.

To the OFFICER *in command of the Chilian Squadron blockading Iquique, Peru:*

(MEMORANDUM.—Delivered July 24 at 8 p. m. to Captain Salamanca, chief of staff of Admiral Williams, who agreed to forward said letter by flag of truce, which would be sent by Captain Robinson, of Her Britannic Majesty's ship Turquoise, with letters to Her Britannic Majesty's consul.)

No. 403.

Mr. Fisher to Mr. Seward.

No. 3. Personal.] SANTIAGO, CHILI,
July 31, 1879. (Received September 16.)

DEAR SIR: Referring to my former letters (1 and 2), mailed at Guayaquil July 14, and corroborating the statements and suggestions therein made, I will continue some account of my observations since leaving Guayaquil.

I arrived at Callao in the morning of July 19, and there met at our consulate Minister Christiancy and Admiral Rogers. From what they said, I inferred that they were disappointed in not receiving some positive instructions from our government. I at once opened business with Minister Christiancy, informing him of the views you expressed in regard to the willingness of United States Government to use its friendly offices to harmonize the dissensions between Peru, Bolivia, and Chili, provided either or all of the belligerent republics should request such good offices through the proper channel. Mr. Christiancy informed me, as I presume he has officially reported, that Peru and Bolivia were favorable to action of that nature on our part, but he stated that he was satisfied that both Peru and Bolivia would insist, as a preliminary, that Chili should restore to Bolivia the territory taken possession of by her army; in a word, that the *ante bellum status would be a sine qua non preliminary to any negotiation.* I understand from a gentleman officially conversant with the views expressed by the Bolivian Government that such is the condition demanded by that government.

My own view of this question was at that time, and I have seen no reason to change, that the most that would be conceded by Chili would be the *status quo.* This opinion was based upon the usage of nations in time of war, namely, that a truce or suspension of hostilities always presupposed the *status quo* during negotiations for peace. It is not necessary for me to call your attention to particular cases, although the fact of the *status quo* during the Franco-German war negotiations and those at the close of the Russo-Turkish war are so excellent and recent examples as to leave no doubt as to the usage. Moreover, the facts that Bolivia and Peru are in a chronic state of revolution so general that it may be assumed that such is their normal condition; that however much the existing government of these countries may intend to act in good faith, no man can guarantee that the President of either of those countries will complete his term of office as the executive authority; that the original cause of the war was a deliberate violation by Bolivia of a formal treaty, duly made five years ago, under which a large amount of foreign capital was invested; that the conduct of Peru is open to a charge of gross bad faith, as an accessory before the fact, in that its government formally engaged to support Bolivia, by a secret treaty to that effect, in practically confiscating the property of foreign nitrate producers in Bolivia, as had already been done in Peru. In view of these facts and others of a similar character, it could hardly be expected that Chili would consent to any truce the preliminary condition of which involved a surrender of military posts almost impregnable to the troops of a government whose conduct heretofore might be assumed to presuppose a refusal to acquiesce in a decision unfavorable to its claims.

For these general and special reasons I could not believe that Chili, in actual possession of the disputed terrritory, and apparently able to hold it indefinitely against any force available to Peru-Bolivia, and protected by nature, and by a desert through which an attacking army must carry not only food but *water* for its troops and animals, would consent to any truce for negotiation or arbitration, except upon the *status quo* basis.

At Antofagasta, the headquarters of the Chilian army in the field, I met Señor Santa Maria, the minister of foreign affairs of Chili, who is also vested with the full power to manage the civil and military affairs in the disputed territory, and had a long interview with him. He expressed himself greatly pleased to learn the willingness of the United

States Government to use its good offices in bringing about a settlement of the dispute and war, but he frankly stated that the Chilian Government would entertain no such proposition unless upon the basis of the *status quo* during negotiation and arbitration. Since arriving at Valparaiso I have availed of my personal friends, of both the administration and opposition parties, and am satisfied that no ministry could remain in office who should consent to any negotiation upon the preliminary condition of the *ante bellum* status during negotiation.

There is a fact, of which you are probably informed, which gives force to the latter statement, namely, that in Chili the ministry holds a position analogous to that of the British ministry; that the cabinet officers have seats in Congress and are obliged to answer questions and defend the policy of the government on the floor; that a refusal to support the government in its measures, as ascertained by the vote of Congress, is followed by a change of ministry. Consequently the ministry, being responsible to Congress, cannot ignore the voice of Congress, as in the United States.

The indecisive character of the war, as it is deemed by many whose experience has not prepared them to appreciate the difficulties of nature and of converting new levies into reliable troops, when added to other alleged complaints, has so weakened the present ministry that any considerable misfortune would lead apparently to a new ministry, the third since this present year has commenced. It is reported and apparently confirmed that the steamer Rimac—carrying troops, horses, and supplies to the Chilian army at Antofagasta—has been captured by the Peruvians. The government guaranteed the owners against loss of the steamer on basis of £60,000 sterling, which it will have to pay; while loss of property and cash for payment of troops will probably swell the damage and loss to $500,000, and the loss of a battalion of troops—all caused as alleged by neglect to send a convoy—have caused great excitement and led to a secret session of Congress commencing yesterday, at which only fifteen representatives and two senators were absent yesterday. I was told by a friend of the present ministry (at Antofagasta, July 26) that the loss of the Rimac, which was even then apprehended from her being overdue, would be likely to overthrow the ministry. The overthrow of the present ministry possesses this importance to the United States, that it might also involve a more peaceful policy, as their successors would not be compromised on the war question, although there seems to be but one mind on that point *now*, whatever may have orginally been the difference of opinion about declaring war in the beginning.

It may be some days before I form a clear idea of the position, and therefore write by this steamer, which sails August 2, in order that you may know that, while arbitration of the United States would be desired by all parties belligerent, there seems to be a wide difference as to the preliminary condition between Chili and Peru-Bolivia. From what Minister Christiancy informed me, it would seem that Peru-Bolivia are determined to insist upon the *ante-bellum status*, and I am satisfied that Chili will not consent to such a preliminary condition.

So far as the material resources and financial strength of the belligerents are concerned, I think that Chili is in much the best condition. I am informed that Chili promptly pays the interest on the public debt, although by arrangement mutually satisfactory to the government and the holders of Chilian bonds the payment into the sinking fund has been suspended for five years. As you know, the commercial depression, arising from three consecutive years of short crops and the un-

precedented decline in the price of copper, has been productive of a great commercial crisis and induced the government to suspend specie payments. The paper authorized to be issued by the banks is secured by a deposit of government bonds, but there is a difference of about 30 per cent. between specie and bank notes. As I understand the case, the government does not issue legal-tender notes in Chili; while in Peru and Bolivia I think the paper money in circulation is issued by the government. However that may be, the paper dollar in Peru is worth about 25 per cent. of its face value, which indicates a financial condition much worse than in Chili. So far as the public credit of Peru or Bolivia is concerned, I am informed that Peru has not paid the interest on her public debt for several years, and that capitalists are not willing to lend any money to Bolivia upon any terms. In Chili the troops I have seen seem well armed, equipped, clad, and fed, and, I understand, receive their pay regularly and promptly; while, though the troops of Peru and Bolivia are said to be well supplied, their pay is irregular and largely in arrears. The use of troops by both sides has thus far been chiefly in garrisoning and fortifying military posts, and I am of the opinion that neither army possesses the transportation or supplies necessary for active operations in the field. As to supplies, Chili, being a large exporter of wheat and cattle, would have less difficulty than her opponents in feeding her troops; while Peru-Bolivia, not being able to obtain the usual supply of cereals from Chili, are likely to find difficulty in feeding their troops. Thus far the war has been principally confined to naval operations. In the contests on the sea thus far the Chilians have acted with conspicuous gallantry, and have become masters of the situation, so far as is possible with the small naval forces on either side. At present the Peruvian navy is obliged to act simply as raiders upon small ports and transports.

I have endeavored to state clearly the result of my observation and inquiry as to the condition and financial strength of both belligerents; also the views, not only expressed, but, I think, entertained by each on the subject of mediation. If you consider it advisable, I authorize you to read this, or the two letters (1 and 2) from Guayaquil to the honorable Secretary, for the information of our government; otherwise, you will please to consider it personal. The facts and opinions given herein have been carefully gathered and formed, and you can rely upon them as substantially correct. The part relating to Chili I have read to a Chilian senator, who is an old and valued and discreet friend, and he says that I have stated the position correctly.

Very truly, your friend,

HORACE N. FISHER.

Hon. FREDERICK W. SEWARD,
State Department, Washington, D. C.

No. 404.

Mr. Fisher to Mr. Seward.

No. 4. Personal.] HACIENDA DE PULLALLI, CHILI,
August 14, 1879. (Received September 21.)

DEAR SIR: In my letter (No. 1) of July 13 I raised the question whether the shipment of torpedo boats from the United States to either

of the belligerents in the present war was not a violation of our neutrality, and liable to furnish a tenable claim for damages. I also stated the action of the British consul at Panama, which caused the British steamer at Panama to refuse a torpedo boat for Callao. Referring you to the reasons offered for making a distinction between contraband of war destined for sea use and that which can duly be used on land, I refer you to the action of the British Government in a similar case, as stated in a recent Santiago paper, El Independiente, of August 6, a translation of which I here annex for your information:

In the last steamer from England a torpedo launch should have come for our government. It appears that the Peruvian agents in Europe made a timely protest against this contraband of war, and that the British Government admitted the protest by detaining the steamer and compelling it to land the boat.

The exact ground of detaining the steamer is not stated, although the above extract gives a fair ground for inference.

In my last letter (July 31, No. 3), I referred to the "interpellation" of the Chilian ministry in the senate, and the secret session of Congress thereon.

The interpellation was continued for three consecutive days, including one night session. At its close the orders of the day were resumed without any positive action of Congress in the form of a vote of either confidence or censure. Nevertheless, at the second session (August 5), after the close of the interpellation in the Senate, a new interpellation was moved in the House of Deputies in the form of a petition for papers, and an interpellation addressed to the cabinet in regard to the conduct of the war, as stated by the mover—

On account of the uncertain and precarious situation, proved by the capture of the Rimac, the rumor of a new cabinet, the inaction of the fleet and army, and, above all, by the failure in obtaining a practical result by the interpellation discussed in the senate.

On the 12th August the letter of the mover (Señor Alemparte) was read in the House of Deputies, in which he formally withdrew for the present his motion, giving his reasons therefor in the following language:

It is now fortunately announced that the blockade of Iquique has been abandoned, and that our fleet has already commenced active and official operations, which it is hoped will be seconded by our army. At the same time it appears that the danger of a ministerial crisis has been averted. At such a moment the attention of the country and the patriotic anxiety of every Chilian should be concentrated upon the operations of our army and fleet, which are called upon to settle the fate of the republic.

As nearly as I can judge all political parties in Chili favor a prosecution of the war, and are willing to make any necessary sacrifice to secure the victory of the national arms. So general does this sentiment seem that I think that no ministry could continue in power upon any other basis than that of a vigorous prosecution of the war, however great may be the difference of opinion as to the mode adopted.

The abandonment of the blockade of Iquique has released two-thirds of the Chilian fleet and made it available for active operations. Indeed it seems to have been a fair criticism whether Chili could afford to neutralize the greater part of its fleet in blockading a second-rate port like Iquique, the object of the blockade, namely, the crippling of the resources of Peru and its revenue from export duties on guano and nitrate soda, having been already accomplished by the destruction of the launches for loading and other similar facilities. I will here state that at the Peruvian ports, owing to shallow water and heavy surf, all vessels have to be loaded from lighters (launches), often at a distance from the shore, Callao being the sole exception.

There is reason for thinking that the army will be moved by sea from

Antofagasta against some Peruvian town, either Arica, Iquique, or Callao, all of which possess strategical importance. At Iquique the Peruvian forces are some 12,000, covering the nitrate district; but as that army is with difficulty maintained, and the military importance of the post is of minor importance in the campaign, I should much doubt any landing there, near the southern frontier of Peru, 600 miles from Callao, and separated from the rest of Peru by a country almost impracticable for marching an army by land. Arica being at the Pacific terminus of the main route for merchandise, partly railroad and partly wagon, from Bolivia, is the point where the Bolivian forces debouch; for which reason a landing at, and the permanent occupation of, Arica would not only close the debouchment of troops, &c., from Bolivia, but also cut the land lines of communication of the army at Iquique, the distance from Arica to Iquique being 109 miles by sea and probably over 200 by land. The only other route from Bolivia to the Pacific (not already occupied by the Chilians) is the railroad from Lake Titicaca to Mollendo, a very steep-grade road, with a small amount of rolling-stock. Mollendo is a town of some 2,000 inhabitants, 135 miles north of Arica by sea; its port an open roadstead, where steamers often have great difficulty in landing merchandise, on account of the surf. The railroad to Lake Titicaca passes for several miles along the sea-side, and naturally exposed to be interfered with by a single man-of-war. As a strategical point, therefore, I think Arica the most important, and that its occupation would be likely to have an important influence upon the result of the war, especially for the following reasons, namely:

1st. The valley from Arica to Arequipa, 60 miles to the Cordellera, is very productive. It exports considerable food, and can support an army of larger numbers than all the forces of the three belligerents now in the field. I think that the Peruvian army at Iquique draws a considerable part of its supplies from the Arica Valley. Its occupation would, therefore, not only prevent the arrival of reinforcements from Bolivia, but break up the lines and base of supplies for the Peruvian main army at Iquique.

2d. The occupation of Arica by the Chilian forces would also make them *de facto* owners, and, as such, in position to negotiate with Bolivia upon the basis of a transfer of Arica to Bolivia (at the expense of Peru) as compensation for the loss of Bolivian sea-coast further south and adjoining Chili. This fact is, I believe, recognized as one of the factors in this war, namely, that the Peruvian sea-coast south of Arica shuts out the greater part of Bolivia from the Pacific; that in the separation of Bolivia (or Upper Peru) from Peru there was a manifest lack of consideration shown to Bolivia in giving her the short, miserable coast-line on the edge of the Atacama desert, with the single port of Cobija; that, consequently, an exchange of the said short coast, separated by over 200 miles of the desert from the southern part of Bolivia, for the good port of Arica, the natural and actual principal outlet of Bolivia, through a fertile country, would be a temptation hardly safe to trust the Bolivians with; that with such a make-weight negotiations might be successfully carried out on the basis of extending the Chillian frontier northward so as to include Iquique, and of giving Bolivia a sea-coast opposite her central provinces from Arica and Pisagua (70 miles), all which, of course, would be at the expense of Peru, and for the aggrandizement of Chili, as well as advantageous for Bolivia.

For the above two reasons I think that Arica is the most important *strategical* and *military* position during the present war on the coast of

Peru, as well as a good exchange for Bolivia. Nor do I have any exalted opinion of the moral acuteness of Bolivia which would lead me to believe her likely to throw away so advantageous an opportunity from a just regard for the sacredness of national honor and good faith due to her ally. In fact the presence of the President of Peru at Arica seems quite as likely to have been caused by the presence of the President of Bolivia there in command of the Bolivian contingent as for purely military reasons.

The third position named was Callao. As you know, Callao is only 6 miles from Lima, south of the Bay of Callao, and separated from it by a long, low cape; is a bay having good anchorage near the shore, and a sufficient depth of water for ships of large size. From the head of this bay to Lima is about five miles, the country is level and suitable for the movement of troops. The ports of Chorillos and Anchon are on the south side of this bay and afford facilities for landing troops under the protection of the guns of men-of-war, while beyond the reach of the guns of Callao. In the war of independence the Chilians sent an army to Callao, which subsequently (in conjunction with Peruvian reinforcements) won the decisive battle of Ayacucho.

In 1838 another Chilian army, under General Bulnes, landed at Anchon, and after a battle on the plain of Lima entered that city; thence it marched against General Santa Cruz, the "supreme protector" of Peru-Bolivia, and totally defeated his army at Tungay (January 12, 1839), 250 miles southeast of Lima.

For political reasons the landing of a Chilian army at Anchon or Chorillos would possess a certain importance, and would certainly, if followed by a victory on the plain of Lima, lead to the occupation of the capital of Peru; but whether the victorious army could hold Lima and the surrounding country with the forces available for shipment from Chili and at so great a distance from its base (1,500 miles from Valparaiso) is a serious question; while the *attempt* would involve military risks of no ordinary kind. As already stated, it seems to me that Arica is a more important military position and more likely to lead to important and permanent results.

There seems reason to anticipate a movement of a picked force of 10,000 Chilian troops from Antofagasta to one of the three points named on the Peruvian coast, for which purpose the co-operation of the Chilian fleet would be needed. I am informed that 10,000 troops can be dispatched from the army at Antofagasta with the transportation available now, and that supplies for such a number are actually ready.

The Chilians are strong and easily diciplined, which, together with their admitted bravery and steadiness under fire in the past, and their supplies on hand, would give them an advantage over the troops of Peru and Bolivia. Their officers would do no discredit to any army, so far as I have seen them, and seem to devote themselves heartily and intelligently to their work; their infantry and artillery arms are of an excellent character, and if they are commanded by a competent general they are likely to render a good account of themselves.

In view of the present general unanimity for the vigorous prosecution of the war and of the apparent preparation for immediate military activity, I do not deem it advisable to press the idea of arbitration, believing it likely that no basis could be agreed upon which would fix the status during negotiations. The idea of arbitration has already been advanced by neutral States of both Europe and South America. As you know, by my former letter (No. 3, of July 31), I stated to Señor Santa Maria, minister of foreign affairs, and apparently the recognized

leader of the ministry of Chili, that the good offices of the United States could be relied upon whenever either of the belligerents formally requested them, and that he seemed very much gratified to know it; that I am satisfied that the United States would be preferred as arbitrator, by all three countries, to any other; but that in the present condition of affairs there is so great a difference as to the *status* during negotiation, Chili insisting upon the *status quo* and Peru-Bolivia upon the *status ante bellum* that it seems not advisable to press the subject at present. It is partly to avoid any discussion of the question at present that I am staying with my friend, Mr. Yrariazaval, at his country seat (Bullalli). My only visit to Santiago was for a day and a half, to formally report my arrival at the state department, having already reported in person to the minister of foreign affairs at antofagasta.

I will here state that I frankly informed Mr. Christiancy, our minister to Peru, and subsequently Mr. Pettis, our minister to Bolivia, of the substance of our conversation, so far as it concerned arbitration; Mr. Pettis was my fellow-passenger from Callao to Valparaiso, and has had some interviews with Mr. Osborn, our minister to Chili, and informed me that he stated to Mr. Osborn at Valparaiso (as I requested) what I had told him.

I did not have an opportunity of informing Mr. Osborn in person, as his return to Santiago was delayed until I was on the point of leaving for Pullalli, as I had planned to do.

I have naturally discussed the question with my friend Mr. Yrarrázaval, who takes the same view as I have expressed in this and the previous letter as to pressing the subject at this time; in fact, I stated the subject to him in full in Mr. Pettis's presence at Valparaiso. I presume Mr. Pettis will report to the Department his views in this matter, and therefore you will please to consider that my allusion to having met him is confidential, as I do not wish to forestall him in any way. As Mr. Yrarrázaval is recognized as a leader in Chilian state affairs, I am likely to be well informed of the condition of things, and when the proper time comes I shall use such arguments as will, in my judgment, tend to bring about the desired result.

Very respectfully, your obedient servant,

HORACE N. FISHER.

P. S.—In future please address letters for me to the "care of Señor D. Manuel J. Yrarrázaval, Santiago, Chili," who receives his Santiago mail and will forward letters to me if not here.

No. 405.

Mr. Fisher to Mr. Seward.

No. 5.] HACIENDA DE PULLALLI,
Ligna, Chili, October 9, 1879. (Received November 24.)

DEAR SIR: Although perhaps it is not necessary, it seems advisable to state some facts for your information inasmuch as I notice that some comment has been made in the New York papers in regard to my visit to Chili, in order that you may know the exact facts in detail.

(1.) I made a memorandum of the points in our conversation at the State Department June 4 in order to avoid all possible misunderstanding and unintentional errors of memory. This memorandum, written out the same day, was placed in a sealed envelope and not opened until

I met Minister Christiancy at the United States consulate in Callao July 19, where I read to him the part relating to arbitration by the United States, which latter fact I reported to you in my letter No. 3, dated Santiago, July 31, 1879. He was the first who saw or knew its contents.

(2.) The only person to whom I communicated *any* of the points of our conversation before sailing for Chili was Señor I. A. Nuñez, the Chilian commissioner of education, who met me at the steamer in New York with letters from Señor Asta-Buruaga, the Chilian minister, dated Washington, June 28; to him, as the chosen representative of the Chilian minister, I communicated such points of our conversation as seemed of immediate practical advantage for the minister to know, this in official confidence, receiving in return useful suggestions and letters.

(3.) The statement, published in the New York papers are conclusive proof that the precautions taken were ample; inasmuch as the *first* information of my journey or its objects was stated by them to have been received from a paper published in Callao (South Pacific Times), July 23d, more than six weeks after I had the pleasure of an interview at the State Department.

(4.) As to any intimation by me of the contents of the sealed dispatches confided to me, it not is necessary to remark that they were delivered in good order; as to offering United States arbitration to the Peruvian Government, I was in Lima about three hours and in the company of our minister or his secretary, and left Callao for Valparaiso the evening of the day I arrived at Callao.

(5.) As to communicating the fact in South America before reaching Chili, that the United States Government would be willing to use its good offices to settle the trouble between the belligerent republics if formally requested to do so, of course I did so communicate, but to such persons only as I deemed of sufficient influence and character as to be able and willing to promote that end; in all such communications, however, I was careful to avoid all semblance of official character and to state in a general way that, when in Washington, I met friends conversant with the views of our government and "*had good reason to believe*" that such request, if formally made, would tend to an honorable settlement by arbitration.

(6.) To only three persons did I speak on the subject, except in the *most* general way, before arriving at Callao, namely:

(*a.*) Señor Godoy, minister of Chili, to Ecuador, who enjoys the confidence due to his position and personal character in Ecuador, as well as his own country.

(*b.*) Señor Pablo Arosemena, the new minister of Colombia to Peru and Chili, who was on his way to Lima to urge a settlement by arbitration, preferring the United States as arbitrator.

(*c.*) Rev. Kenelm Vaughan, private secretary of Cardinal Manning, who deservedly enjoys an extensive influence thoughout Spanish America, and was then on his way from Mexico to Lima to confer with the leading Catholic clergy of Peru, and possibly of Bolivia.

These three gentlemen, all men of responsibility and unquestionable character and all favorable to the settlement of the war by arbitration, and willing to use their influence in favor of the United States as arbitrator, seemed well worth using for this purpose. I have reason to believe that I did well in informing them that, while the United States Government has always avoided mingling in the quarrels of other states, its good offices in favor of the peaceful solution of the difficulty could be relied upon when they were sought by either belligerent.

It is possible that the fact of my meeting Minister Christiancy and Admiral Rodgers at the United States consulate of Callao, and of my going with them to Lima where I was introduced to Minister Pettis, who happened to be my fellow-passenger from Callao to Valparaiso, may have led to an imaginary importance of my voyage; especially as it was generally understood that Mr. Pettis had the subject of arbitration much at heart and was supposed to know the views of both the Bolivian and Peruvian governments. Moreover the fact of Mr. Pettis's interview with the President of Peru, at Arica, in the morning of 23d July, and of the latter having telegraphed to the President of Bolivia to meet Mr. Pettis at Pisagua, on the following morning, was not unlikely made known by telegraph in Callao the same day, which was the date of the Callao paper; more particularly as I think that, at that time, both Peru and Bolivia favored negotiation either for obtaining mediation or for gaining time. Perhaps these facts may account for the exaggerated report published in Callao, which led to some comment not less exaggerated in the United States and equally without foundation. At all events, of this I am confident, that I have taken extreme precautions to avoid undue inference and premature discussion.

As Minister Pettis was not only the diplomatic agent of the United States, but apparently in the confidence of both President Prado and Daza, I deemed it advisable to state to him before reaching Arica (Prado's headquarters), that, from what I had learned at Washington, there was no doubt but what the United States Government would be willing to use its good offices in favor of a peaceful and honorable settlement, if properly requested through the regular diplomatic channels. I however declined his invitation to accompany him ashore at Arica and Pisagua, on the ground that as I was going to Chili and likely to be brought in contact with the military, as well as the civil officers of Chili, I deemed it advisable to avoid landing at fortified towns like Arica and Pisagua, after hostilities had actually commenced, which might have become the scene of naval or military operations, in order to avoid all appearances of misusing my protection as bearer of dispatches; but that if he should find it desirable on landing, or if either President Prado or Daza requested me to meet them, I would accept an invitation to land and meet them.

At Antofagasta I met Mr. Charles C. Greene of E. Greenwich, R. I., whom I knew in Boston, and who is the agent of the nitrate works and railroad at Antofagasta. I accepted his invitation to meet Señor Santa Maria, the Chilian minister of foreign relations, who was then at his house. As I wrote out a detailed memorandum of the interview, I will here give extracts from the same for your information, merely remarking that Mr. Greene is a grandson of our Revolutionary General Greene and an honorable gentleman.

[*Extract from memorandum of interview with Chilian minister of foreign affairs, Señor Santa Maria, at Antofagasta, July, 25, 1879.*]

* * * * * * *

He invited Mr. Pettis, Captain Cross, and myself to breakfast with him, and when we refused, he said that Señor Santa Maria was at his house, at which I saw an opportunity at communication if I could get rid of Mr. Pettis, whose discretion I doubted.

By making the most of my acquaintance with Mr. Greene I managed to make Mr. Pettis believe that Greene was an old personal friend, and after some hesitation (put on) I accepted Greene's invitation to call for a moment at his house if the captain of the port was not ready to dispatch the ship. Of course the captain of the port was amenable to reason, and we went to breakfast at Greene's house, which was also

headquarters. * * * On the way to Greene's house I told him that I was consul of Chili in Boston, and was United States bearer of dispatches; that I desired that only he and Santa Maria should know that I was consul, or in fact other than as an American passenger. * * *

After breakfast, by invitation, Mr. Greene and I went with Santa Maria to the latter's room, and we proceeded at once to business. I told him that upon receiving the "circular" to the agents of Chili abroad, I proceeded to Washington and had a special interview with President Hayes and at the State Department. That Mr. Hayes expressed himself sorry that war had broken out; that he had formed a favorable idea of Chili from what he knew of it; that Mr. Evarts gave me half an hour's interview, and expressed similar views; that Secretary Seward had a long interview with me, at which I was authorized to say to either of the governments that the Government of the United States would be pleased to use its good offices to settle the quarrel whenever either of the belligerent powers should formally ask for them, but that, until thus requested, the government would preserve neutrality.

To prevent any misunderstanding I then read my memorandum of my interview with Secretary Seward.

[N. B.—So far only as concerned "arbitration by United States."]

I also told him that Minister Christiancy told me at Lima that he was satisfied that Peru and Bolivia were united, and that he was satisfied that they would not accept arbitration except upon the basis of the "ante-bellum status," as preliminary to all negotiation; that Minister Pettis insisted that the "ante-bellum status" was necessary; that I had replied to Mr. Pettis that it seemed to me, personally, that the "*statu quo*" was the only basis upon which any arrangements could be expected, which seemed only reasonable and in accordance with the custom of nations. This seemed to please Santa Maria, to whom I replied that when I left the United States the condition was so little understood that the question of "status" was not mentioned or considered; that, therefore, I had told Pettis *that* as my own personal opinion, and I repeated to both Mr. Greene and Señor Santa Maria that the question was not considered at Washington in any interview with the President or at the State Department. Santa Maria said that the *Government of Chili would never consent to arbitration on any other basis than the statu quo*, "jamas! jamas!" I also told him, substantially, what I wrote Seward in my Guayaquil letter about the British fleet and the torpedo boat at Panama, which made Santa Maria embrace me, saying that Chili had in me not only a live consul, but a friend.

I further told him about Arosemena and his mission; that he favored arbitration by the President of the United States. * * * I told Santa Maria and Greene that, as our government had [a] minister here, all communications in writing should be made to and through them; that, therefore, my communication was verbal, and that I had no *written* instructions beyond that of bearer of dispatches, for which reason I had received a special State Department passport, which I showed them; also that I had seen Señor Nuñez just before the steamer sailed from New York, and had a long interview; that he brought me letters from Asta-Buruaga, and gave me his card with a note on it for Santa Maria, which card I sent ashore with a note to Mr. Greene for Santa Maria.

* * * * * * *

I will here call your attention to the fact that the above memorandum, while it states quite minutely and exactly the substance of my interview with the Chilian minister, was not intended for any but my own strictly private use. Therefore I will here explain one point which might mislead, to wit, in regard to Mr. Pettis, "whose discretion I doubted." This I do in order that no unjust imputation may be inferred in regard to his conduct. While I think that Mr. Pettis is an honest man, with excellent intentions, and not conscious of any indiscretion, from some circumstances (which, it seems, attracted the attention of several Chilians, who spoke to me on the subject), there seemed reason to believe that he was not quite circumspect, and I therefore took the liberty of speaking frankly with him before landing at Valparaiso, in order that he might avoid the appearance of acting for Bolivian interest; and I will here state that he accepted my suggestion in the same spirit in which it was made, and subsequently told me that Mr. Osborn took the same view that I did. I will further state that I believe that he uniformly and specifically disclaimed any *special* instructions from the United States Government, and seemed to intend to act as a harmonizer. This fact it is but just to him that our government should know,

because his conduct was subjected to criticism in Chili. Feeling that such would be the case, I decided to separate myself from all apparent connection with him, however much I might like him personally. There was one point, which I think he did not sufficiently realize, namely, that the condition of public sentiment was morbidly acute on the subject of mediation, the air was full of rumors about mediation, now by this country and now by that, some indicating the use of overwhelming force. This state of things I noticed in both Peru and Chili; and I understand was actually believed by the cabinet officers of Bolivia.

In fact, the province in which I have unexpectedly, and most assuredly unintentionally, found myself is a fair illustration of the practical result of such a condition of the public mind, though I had no reason to suspect it in my case until within a few days.

Upon arriving at Valparaiso I delivered my dispatches in person to the United States consul at Valparaiso and also to Minister Osborn, who was at the consulate, as I stated in my official report to the honorable Secretary of State, dated July 30. I arrived at Valparaiso the evening of 29th July, where my friend, Señor Yrarrázaval met me the following noon. By appointment I called upon Mr. Pettis with my friend to introduce him to Mr. Pettis and to Minister Osborn, who for some reason, however, was unable to be present. In the presence of Mr. Pettis and Mr. Yrarrázaval I read that part of my "memorandum" of my interview with you which related to arbitration, in order that the *exact* conditions under which the United States might intervene should be distinctly known to both, and I farther requested Mr. Pettis to communicate the same to Mr. Osborn for his information in case I should not see him before leaving for Santiago, which he subsequently told me he had done. Mr. Pettis apparently felt confident of his ability to convince the Chilian Government of the policy of accepting the views of the Bolivian Government on the subject of arbitration, but he did not state or intimate the nature of his arguments, nor in fact did I desire to know. He also made two requests of me: 1st, that I should allow him to present his arguments to the Chilian Government in his own time and way; 2d, that I should avoid referring to him in my correspondence, as he proposed to report very minutely his doings to the State Department.

To his first-named request I replied that he might rest assured that I should not interfere in any way with his plans at present, as the minister of foreign relations was at Antofagasta, and I should therefore merely stay over a day at Santiago to formally announce my arrival at the state department and then go with my friend to his country-seat. I took this decided course because I desired, first, to entirely separate any negotiation of his from any that I might subsequently attempt; and also in order that Mr. Pettis might have no ground whatever for attributing to me any miscarriage of his negotiations, which I expected would prove futile, for several reasons. As to the second request of Mr. Pettis, I mentioned briefly and *in confidence* that he was my fellow-passenger to Valparaiso, and that I had informed him in substance of that part of our conversation which related to arbitration; this in my letter (No. 4) to you of August 14, in which I wrote, "I presume that Mr. Pettis will report to the Department his views in this matter, and therefore you will please to consider that my allusion to having met him is confidential, as I do not wish to forestall him in any way." Now, however, since I have recently read in a Lima paper the following statement of its correspondent at Tacna, dated September 2, to wit: "General Daza has been at Arica for several days. They there had a

long conference with the North American minister, Mr. Newton Pettis, who has returned from Chili." I think that no doubt can exist as to the fulfillment of my agreement with Mr. Pettis. I do not think, however that the withholding of the detailed statement (which I herewith make) was at all for the disadvantage of the United States, as the results and conclusions were promptly reported to you, and there was little, if anything, to be gained by pushing the subject during this period of delay.

As stated in my last letter to you (No. 4), I am patiently waiting until the proper time comes for advantageous action, when I shall use such arguments as will in my judgment tend to bring about the desired results we discussed in your office in Washington last June. Of course it is well to remember the old adage, "It is easier to lead a horse to water than to make him drink;" but I think, as I stated to you, that the present war has awakened all the South American states to a more complete realization of their relations to each other and other countries, and may afford an opportunity much to be desired, of which I am watching the development apparently in progress.

Long before this letter reaches you, the news of the capture of the sole remaining Peruvian iron-clad, El Huascar, at Mejillones, on yesterday, will have been received. This virtually closes the naval operations of Peru, and lays bare her coast to descents of the army and navy of Chili. It seems to me that the crisis of this war is near at hand, and perhaps may arrive before you receive this letter. I have never doubted that Chili would win the victory, and have been, as you know, inclined to believe that this war would probably result in advancing the civil and political condition of Spanish America. It is possible, therefore, that I may have important points to communicate before many weeks.

Very respectfully, &c.,

HORACE N. FISHER.

P. S.—Address letters for me, as heretofore stated, to "care of Señor Don Manuel J. Rarrázaval, Santiago, Chili."

No. 406.

Mr. Hunter to Mr. Fisher.

Personal.] DEPARTMENT OF STATE,
Washington, October 10, 1879.

SIR: I have the pleasure to acknowledge the reception of your letter (No. 4) of the 14th of August last, in relation to the progress of the war in South America, and touching the question of torpedo boats built in neutral countries for the use of the belligerents. It has been read with the same interest as your former letters.

I am, sir, your obedient servant,

W. HUNTER,
Assistant Secretary.

No. 407.

Mr. Fisher to Mr. Hunter.

HACIENDA DE PULLALLI,
Ligua, Chili, December 26, 1879. (Received February 4, 1880.)

SIR: I have the honor to acknowledge the receipt of your letter of October 10, 1879, and am pleased if my letters to Mr. Seward have proved of interest or have given additional information to the Department.

I have to-day the pleasure of forwarding to the State Department, through you, a copy of the official compilation of the law of war, recently published by the Government of Chili for the guidance of its army and navy, and entitled "El Derecho de la Guerra." Copies of this treatise were issued to the officers of the Chilian army which invaded Peru last month, and I am informed that it is obligatory upon officers in the Chilian army and navy to enforce the code thus officially established.

The treatise contains (1), the code of the laws of war adopted at the Brussels International Congress of 1874; (2), the St. Petersburg Convention of 1868 in regard to explosive bullets; (3), the Geneva Conventions of 1864 and 1868 in regard to the treatment of wounded soldiers; and (4), the code of instructions prepared by Dr. Francis Lieber, for the "Government of the Armies of the United States in the Field," which was officially adopted as General Order No. 100, United States War Department, April 24, 1879. The annexed correspondence with the Chilian Government shows the steps taken to secure the adoption of the United States code of the laws of war in the present conflict.

Allow me here to state that, though I do not have the honor to belong to any peace society, it seemed to me very desirable to mitigate the evils of war by well established rules agreed to by the belligerents, not only upon the general principles of humanity, but upon special reasons in this case; it seemed desirable to do whatever was in my power to promote the adoption of the United States code by the other nations of America, being satisfied that uniformity in such important matters would lead to a common, mutual interest which would naturally extend to closer relations of friendship and intercourse for the mutual advantage, commercial and political, of the several nations with each other.

To this end, therefore, I proposed to Senor Santa Maria, then minister of foreign relations of Chili, at my interview with him at Autofagasta, July 26, 1879, the adoption of the United States General Order No. 100; upon his return to Santiago I presented him with a copy of the same, through the personal services of a friend, and thus carried out my promise, made him at Autofagasta, for which the personal thanks of the minister were sent by my friend and the official acknowledgment of my letter forwarded by his successor, Senor Amunátegui.

Annexed are extracts of the official denial of violations of the laws of war, published in the Diario Oficial of November 19, 1879, in vindication of charges openly made by the Peruvian Government but since repudiated by the Peruvian clergyman [Perez] in charge of the Ambulance (hospital); in these extracts not only is the accusation officially and formally refuted, but special reference is made to the above mentioned code of laws of war.

Respectfully submitting this statement for the information of the government of my country,

I have, &c.

HORACE N. FISHER.

Mr. Fisher to the minister of foreign relations of Chili.

HACIENDA DE PULLALLI, *Ligua, August* 18, 1879.

SIR: I have the honor to forward herewith by my friend, Don Miguel Yrarrázaval, a copy of General Order No. 100 of the United States War Department, dated April 24, 1863, for the "*Government of the Armies of the United States in the Field.*"

This order is the formal adoption by the Government of the United States, of the code of instructions for the use of armies, prepared by the late Francis Lieber, LL. D., of New York, which represents the established custom of nations and that branch of international law. Four years' experience during the war of the rebellion demonstrated its completeness and practical value.

Deeming that a concise, yet full code of the law of nations, so far as applicable to armies in the field, would be very desirable, both for establishing a uniform system and for mitigating the evils of war, I had the honor to give one copy of the General Order No. 100 to Mr. Christiancy, the minister of the United States to Peru, who agreed to bring it to the personal attention of the Peruvian Government; and now I have the pleasure of presenting my second copy to the Government of Chili, through you, in the hope that it may be approved and adopted.

I have, &c.,

HORACE N. FISHER,
Consul of Chili in Boston.

To the MINISTER OF FOREIGN RELATIONS,
Santiago de Chili.

(Copy.)

Mr. Fisher to General McCook.

HACIENDA DE PULLALLI, *Ligua, Chili, October* 31, 1879.

MY DEAR GENERAL: I inclose herewith a "memorandum upon the present condition of the South American republics," in which I confine my remarks to a single subject which seems to me of great importance to the government and people of the United States. I, therefore, authorize you to *read* the "memorandum" to General Garfield and your cousin "Anson;" if they approve it and it also meets the approval of yourself, you could also read the same to your friends, the President and General Sherman, and to the Secretary of State. I think it best not to publish anything regarding it or the writer, at least, not for the present.

For certain reasons I am staying at my friend's country house, where I shall keep headquarters for the present. Any letters addressed to the "care of Señor Manuel J. Yrarrázaval, Santiago, Chili," will reach me in due course of mail.

With kind regards, &c.,

HORACE N. FISHER.

General A. McD. McCOOK,
Headquarters United States Army, Washington, D. C.

Memorandum of present condition of South American republics.

At the time of the revolution Spanish America was divided into three viceroyalties—New Spain, Peru, and the La Plata.

The viceroyalty of New Spain consisted of Mexico, Central America, and the Spanish West Indies. The viceroyalty of Peru consisted of Peru, Ecuador, Colombia, Venezuela, Bolivia, and Chili. The viceroyalty of the La Plata consisted of the Argentine Republic, Paraguay, and Uruguay.

A brief consideration of the orgnization of the two Spanish viceroyalties in South America may, perhaps, explain some points, otherwise obscure, in the political relations of the South American republics.

Previous to 1776 the viceroyalty of Peru also included the Spanish province of Tucuman on the eastern slope of the Andes, now comprising the seven Argentine states of (1) Tucuman, (2) Rioja, (3) Catamarca, (4) Salta, (5) Sujuy, (6) Santiago del Estero, and (7) Cordova; this province had been an integral part of the viceroyalty of Peru from the time of the conquest; it also included the semi-independent captain-generalship of Chili, consisting of the present republic of Chili and the Spanish province of Cuyo adjoining it on the eastern slope of the Andes, which now forms the three Argentine

states of (1) Mendoza, (2) San Juan, and (3) San Luis. It further included the semi-independent province of the La Plata, consisting of the present Argentine states of Buenos Ayres, (2) Santa Fé, (3) Entre Rios, and (4) Corrientes, and the republics of Paraguay and Uruguay.

In 1776 the provinces of (1) La Plata, (2) Cuyo, and (3) Tucuman, were united as the viceroyalty of the La Plata, with the city of Buenos Ayres as the seat of government and the port of entry; whereby the province of Buenos Ayres was given an increased political and commercial preponderence at the expense of the interior provinces; the jealousy thus arising has been the cause of civil war in the Argentine Republic on several occasions since the revolution. There is even reason to believe that this arbitrary act of the Spanish Government, whereby the people of the old provinces of Tucuman and Cuyo were transferred against their will from the governments established on the Pacific coast to the then distant government at the mouth of the La Plata, and to the prejudice of their social, political, and commercial interests, hastened the Spanish-American revolution. At all events, the revolution first broke out and obtained a permanent success on the La Plata. In Chili, the revolutionists were at first obliged to seek refuge across the Andes, among their old friends in Cuyo, whence, reinforced by an Argentine army under General San Martin, they recrossed the Andes and won their independence at the decisive battle of Maypu. The allied armies of Chili and the Argentine provinces thence moved by sea against Peru, and there, uniting with the revolutionary troops of the northern provinces, under Bolivar, accomplished the final expulsion of the Spanish authority at the battle of Ayachuco, in Bolivia, in 1820.

Thus the independence of the Spanish colonies in South America was accomplished by their united efforts and, as the political successors of the King of Spain, they owned all of the Spanish possessions in South America. These they divided between the several colonies upon the basis of the boundaries existing in 1810 between the colonies. But so vague were those boundaries, so conflicting the claims based upon contradictory charters ("cedulas"), that there are to this day disputed questions as to boundaries between each and all of the South American States, without exception. From this cause have arisen exhausting wars on several occasions, some of which will here be cited.

The war between Paraguay and the three allied states of Brazil, the Argentine Republic and Uruguay, in 1865, grew out of a disputed boundary. After five years of exhausting war the allies deprived Paraguay of half of its territory. Only very recently has the Government of the United States, mutually chosen as arbitrator between the Argentine Republic and Paraguay, in regard to the ownership of the unsettled territory, known as the "Gran Chaco," rendered its decision adversely to the claim of the Argentine Republic. The war between Brazil and the states of the La Plata, some thirty years ago, arose from a claim to a part of Uruguay, pressed by the Brazilian Government. The long-pending controversy between the Argentine Republic and Chili, in regard to Patagonia, arises from contradictory grants of the Spanish crown, which apparently cover the same territory. As long ago as 1856 a treaty was made providing for the amicable settlement of this disputed boundary, and several additional conventions to the same end have subsequently been negotiated; nevertheless, within a few months, the question assumed a very warlike phase, and may lead to hostilities. The boundary between Chili and Bolivia has been the subject of controversy for many years. In 1866 a treaty was made whereby the territory between the twenty-third and the twenty-fifth degrees of latitude was made a neutral zone, in which the usufruct should be equally divided between Chili and Bolivia. In 1874 a new treaty was made whereby Chilians, resident in that zone, should be exempt from taxation and export duties on the products of their mines; the violation of that treaty is the cause of the present war between Chili and Peru-Bolivia. From the recent news it seems that the boundary question between Venezuela and Colombia is assuming a very hostile aspect, tending to war at some time in the near future. This merely confirms the statement made to me in July, by Don Pablo Arosemena, the new minister from Colombia to Peru and Chili, that Colombia had serious boundary questions with Brazil, Venezuela, Costa Rica, and Ecuador, and that each of those states, as well as Peru and Bolivia, had similar questions with *every one* of its neighbors. To show how detrimental these disputes are to the commerce and industries of the South American republics, I here quote from recent editorials in leading papers:

[Extract from editorial published in the Diario de Cundinamarca (a Colombian city), republished in the Ferro-Carril, Santiago, October 28, 1879.]

* * * It is certain that the questions of boundary between this republic and all of its neighbors require a settlement with the least possible delay. Costa Rica, Ecuador, Brazil, and Venezuela, all four nations, have territorial pretensions to our territory. These serious questions may lead to a conflict. * * *

[Extract from editorial in the Ferro-Carril, Santiago. October 22, 1879.]

* * * Questions of boundary in which Chili is now involved with its neighbors are no new thing in its national existence, but the natural and inevitable situation of all the American republics. On the other hand, these questions, which in all the other republics has been a perpetual and fruitful cause of aggression from the first days of their independence, thanks to the settled policy of prudence, of concessions, of all kinds of conciliatory and pacific arrangements adopted by Chili, have not, in all these years, produced those frequent outbursts of war, which form the international history of the people of this continent. While it would take much time to enumerate the uninterrupted series of hostilities between all the republics of South America, caused on all sides by boundary questions, it may be said that the present conflict is the first time that Chili has been involved in war of this origin. * * * Chili has neither influenced nor taken any part in the frequent quarrels in the Argentine Republic, Bolivia, Peru, Ecuador, and Paraguay. * * * Our country has lived completely devoted to the carrying out of the works of peace, and if at any time she has intervened in South American conflicts, it has been as a friendly and honored mediator, or as the aider of Peru when *her* national autonomy has been in danger, or the future of American independence at stake. While all the republics of South America have been invaded frequently by others, either alone or forming allied forces, Chili has only armed twice—in the defense of Peruvian independence and to avert a danger common to all the republics of the Pacific. * * *

The picture thus drawn, showing the cause of war in South America, is worthy of a careful examination, and thus may we be prepared to consider whether the United States, as an honored and honorable friend of all the states on the American continent, may not be in a position to pacify these vexed questions, and at the same time to win the position of the mutually recognized leader and friend of Spanish America.

It is well known that in the United States very serious difficulties occurred in Vermont between the colonial authorities of New York and New Hampshire. This was just before our revolution. It is also well known that the complicated nature of the chartered rights of the several colonies to the territory west of the Alleghanies was one of the leading reasons why the Mississippi Valley was, by common consent, made the common property of the nation. Perhaps the statement may even be made that, the desire to permanently settle this class of questions was one of the great moving causes of the permanent union of the original thirteen States as a nation.

It is possible that the very complexity of the territorial claims of the South American republics, so dangerous to the peaceful development of the great natural resources, may lead to a similar union. For this reason the plan of Señor Arosemena, the Colombian minister *ad hoc* to Peru and Chili, is worthy of the serious consideration of the Government of the United States. That plan, which represents the official desire of the government and people of Colombia is, that a continental congress should meet at Washington, consisting of plenipotentiaries of all the Spanish American republics, under the presidency of the Executive of the United States, with the object of amicably adjusting these complicated questions. The opportunity would thus arise for considering subjects of a more extensive nature, such as a continental system of international relations, a commercial union of all America, under the hegemony of the United States, and I believe that the result would tend to the Union of all the republics in America, without depriving them of their self-government, to the peaceful development of the immense natural resources of a continent, for the mutual advantage of each, and of none more than the United States.

An invitation officially given to each of the South American and Spanish American states by the United States Government, to meet in congress at Washington, at some fixed time in 1880, for the purpose of amicably and honorably adjusting differences inherited from their colonial days—differences happily avoided in the United States by means of their permanent union under the Constitution—would, I think, meet with the joyful response of most, if not all, of the governments and people of South America, who recognize the cause, but of themselves are unable to work the cure, of the wars and their consequences, which retard the peaceful and prosperous development of a whole continent. To be thus the means of so glorious a result would be the most noble national work of the present century.

Thus there now seems again offered to the United States an opportunity to recover the position which was lost by the unfortunate neglect of the United States to take part in the Panama Congress, in 1826, that of the hegemony of all the American republics. In vain did our leading statesmen, Monroe and Adams, Clay and Webster, use their influence to have the United States take a leading part in that congress. But the proposed "*consideration of the means to be adopted for the total abolition of the African slave trade*" apparently led to the refusal of the United States Congress of that day to

support this measure of the administration In the notes to the United States Treaties, by J. C. Bancroft Davis (pp. 970,971), are citations and quotations from which the following extract is here quoted:

"The pacific objects of the congress, the establishment of close and cordial relations of amity, the creation of commercial intercourse, of interchange of political thought, of habits of good understanding between the new republics and the United States and their respective citizens, might perhaps have been attained, had the administration of that day received the united support of the country. Unhappily they were lost; the new states were removed from the sympathetic and protecting influence of our example, and their commerce, which we might then have secured, passed into other hands unfriendly to the United States."

But to-day circumstances have changed, the whole people of the United States would be united in the support of such a measure; the people of the South American and Spanish-American states would welcome such a measure as the means of their salvation. Half a century has taught the United States that a close commercial connection with the other States of the American continent is *necessary* for her rapidly developing industries, as necessary for *them* as for *us;* it has taught the new republics that separate they are weak, involved in domestic troubles, interstate controversies and subject to harsh measures from European powers, that by a union their disputes with each other could be avoided, their domestic peace maintained; but that such a union, under the auspices of the United States, would thereby become permanent.

It is therefore of consideration whether the opportunity, once lost and now apparently again presented, should not be gladly welcomed, and whether the common interests of all the republics of North and South America would not be benefited—permanently established, by the convening of a continential congress at Washington, not only for the settlement of all pending questions between the South American republics, but for the establishment of a uniform and permanent system of closer relations and friendship between all the republics in America.

This seems to me, after a very careful consideration of the subject, covering several years, and made in part during a personal visit in quite a number of the South American states, to be practicable. Such a result would be worthy of the highest statesmanship, and I believe gladly accepted by, and of the greatest interest for, not only the American people but by a continent.

HORACE N. FISHER.

HACIENDA DE PULLALLI.
Ligua, Chili, October 31, 1879.

No. 408.

Mr. Hunter to Mr. Fisher.

DEPARTMENT OF STATE,
Washington, February 6, 1880.

HORACE N. FISHER, Esq.,
Consul of Chili at Boston, Hacienda de Pullalli, Ligna, Chili:

SIR: I have to acknowledge the receipt of your letter of the 26th December last, and of the "Official Publication of the Law of War," which accompanied the same, and in reply have to express to you the thanks of the Department therefor.

I am, sir, your obedient servant,

W. HUNTER,
Second Assistant Secretary.

No. 409.

Mr. Fisher to Mr. Hunter.

HACIENDA DE PULLALLI,
Ligua, Chili, February 27, 1880. (Received April 12.)

SIR: On the 26th of December last I had the honor to acknowledge the receipt of your letter of October 10, 1879, in which you courteously

alluded to my letters to Mr. Seward. In my last letter to him (No. 6), written upon the receipt of an official telegram announcing the victory of the Chilians at Pisagua on the 2d of November, which was received as the mail was about to close, I referred him to my friend, General Alexander McD. McCook, of Washington, to whom I had written by the previous mail, inclosing a memorandum of the "Present condition of the South American Republics," in which I had suggested the propriety of our government inviting the several South American governments to meet in a continental congress at Washington during the present year, not only for the settlement of all pending questions between them, but for the establishment of a uniform system of closer relations and friendship between all the republics of America.

In that memorandum, after briefly stating the historical relations between the South American states, I alluded to the cause—at least a prominent cause—of their past wars with each other. If it will not be presuming too much upon your courtesy, I will submit an extract from that memorandum, as it expresses my views at that time, which I have seen no cause to alter, and which, together with the plan suggested for a continental congress, meet the full approbation of the friend, a well-known statesman and senator of Chili, whose guest I have been since my arrival in Chili.

MEMORANDUM.

The present condition of the South American Republics.

[Extract.]

* * * * * * *

Thus the independence of the Spanish colonies in South America was the result of the union of the several colonies, and as the successors of the King of Spain, they held all the Spanish possessions in South America; these they divided, on the basis of the boundaries existing in 1810, between the colonies. But so vague were those boundaries that there are to this day disputed questions as to boundaries between each and all of the South American states, which have resulted in war on several occasions.

Thus the war between Brazil and the states of the La Plata grew out of a claim of Brazil to a part of Uruguay; the war of 1865, between Paraguay and the allied states of Brazil and the Argentine Republic grew out of a disputed boundary question; only very recently has the United States Government acted as arbitrator (mutually chosen) between the Argentine Republic and Paraguay, in regard to the unsettled territory known as the "Gran Chaco." Within a few days ex-President Sarmiento, the Argentine minister of state, has officially alluded to a disputed territory between Bolivia and the Argentine Republic. In July, 1879, Don Pablo Arosemena, the Colombian minister to Peru and Chili, informed me that Colombia had boundary questions still pending with Brazil, Venezuela, Ecuador, and Central America, and that each of these states, as well as Peru and Bolivia, had similar questions to settle with each of its neighbors.

The long-pending controversy between the Argentine Republic and Chili with regard to Patagonia, arises from contradictory grants from the Spanish Crown, which apparently cover the same territory; as long ago as 1856, provision for the settlement of this question was made by treaty, and several additional conventions have since been made with the same object.

The boundary between Chili and Bolivia has been the subject of controversy for many years; in 1866, a treaty was made by which the territory between the twenty-third and twenty-fifth degrees of south latitude was made a neutral zone; the subsequent convention of August 4, 1874, was made to regulate the rights of their respective citizens in that neutral zone, and to effectually close the controversy; the willful violation of the said convention has resulted in the present war between Chili and Peru-Bolivia.

In 1878 the controversy in regard to Patagonia assumed such a warlike phase that hostilities seemed unavoidable. It is believed that this induced Bolivia to proceed to the flagrant violation of the treaty-rights of Chilians in the neutral zone between 23° and 25°, knowing that Peru was ready to aid her in accordance with the secret treaty of 1873. * * *

Thus the statement of Señor Arosemena to me in July, 1879, seems fully corroborated—namely, that there are disputed boundary questions between every one of the South American states and its neighbors, which have already resulted in war on several occasions and are liable to cause war at any time until they are settled. Therefore he had the plan of having all the South American states meet in a continental congress at Washington, by means of plenipotentiaries duly appointed, the object of which should be a final adjustment of these complicated questions.

It is a well-known fact that in the United States very serious difficulties occurred in Vermont between the colonial authorities of New Hampshire and New York, in regard to their jurisdiction in Vermont; this was just before our revolution; also that the complex nature of the chartered rights of the several colonies to the territory west of the Alleghanies was the principal reason why the Mississippi Valley was made the common property of the nation; there is also reason to believe that the desire to settle this class of questions was one of the causes which led to a *permanent* union of the original thirteen States as a nation.

Perhaps the very complexity of the claims of the South American Republics, so dangerous to the peaceable development of their great natural resources may lead to a similar union. For which reason the idea of Señor Arosemena—of a continental congress to meet at Washington, consisting of plenipotentiaries from all of the South American Republics, under the presidency of the President of the United States—is worthy of consideration; because whatever the results actually accomplished by the Congress, it will furnish an opportunity for the representative men of each of the South American Republics to know how similar difficulties were settled in the United States, and to behold the results accomplished by a century of peaceful development of natural resources, no greater than those which they possess, by means of a permanent union.

In fact the work of the "Congress of jurisconsults," which, composed of plenipotentiaries of all the South American republics, met at Lima December 9, 1877, to "*create a formula of common law for the whole continent of* [Spanish] *America*," as was stated by one of the plenipotentiaries in preparing the treaty of November, 1878, is an earnest of the general desire of Spanish Americans for unification. That treaty, which has been submitted for ratification to the signatory governments, establishes the rights of their respective citizens in other republics of South America upon a basis similar to that provided by our Constitution for the citizens of the United States in the several States of our Union.

In view of the facts (1) that the congress of jurisconsults could agree upon so complicated and important questions as those covered by their "Code of private international law," which was embodied in that treaty in full, as clear and concise as it is harmonious and just to the State and its alien residents, and (2) that the time seems to have arrived when the people of all the South American republics are aroused to an appreciation of the dangerous condition of their mutual insecurity, owing to ancient but unsettled territorial questions, and of the necessity and advantage of closer union; in view of these facts, it seems that there is an opportunity for the United States, as the friend of all, to recover the position which was open to her at the time of the "Panama congress" in 1826, namely, that of the recognized leadership, the hegemony, of all of the American republics.

Presidents Monroe and John Quincy Adams, statesmen like Webster and Clay, exerted their influence to have the United States take a leading part in the congress. But one of the proposed measures, "The consideration of the means to be adopted for the total abolition of the African slave trade," apparently led to the refusal of the United States Congress to be represented at the Panama Congress, as recommended by the President.

The pacific objects of the congress, the establishment of close and cordial relations of amity, the creation of commercial intercourse, of interchange of political thought, of habits of good understanding between the new republics and the United States, and their respective citizens, might perhaps have been attained had the administration of that day received the united support of the country.

Unhappily they were lost; the new States were removed from the sympathy and protecting influence of our example, and their commerce, which we might then have secured, passed into other hands unfriendly to the United States. (See J. C. Bancroft Davis's notes to United States Published Treaties, pp. 970–71, and references by him cited.)

But to-day circumstances have changed; the lost opportunity is again presented to the United States. Half a century of experience has taught the United States that a close commercial connection with the Spanish American republics is necessary for *her* rapidly developing industries, as necessary for them as for her; it has taught the new republics that separate they are weak, involved in domestic strife and foreign controversies; that by a union with each other their domestic peace could be maintained.

It is worthy of consideration, therefore, whether this opportunity, once lost, should not be gladly welcomed, and whether the common interests of all of the republics of North and South America would not be benefited by the convening of a continental

congress at Washington, not only for the settlement of all pending questions between the South American republics, but for the establishment of a uniform system of closer relations and friendship between all the republics in America.

The memorandum concluded by suggesting that the President should be authorized to invite the South American republics to send plenipotentiaries to a continental congress to meet at Washington, at some time fixed in the present year, for the purposes above specified. I have nothing to add to or take from that suggestion made October 31, 1879, except that I have since met Señor Arosemena, who gives it as his opinion that such a proposition, coming from the President of the United States, would be gladly and respectfully received. Friends of mine in Chili express the same opinion.

Within a short time active operations will be renewed by the Chilian army and navy. From information I have, it seems likely that the information of another expedition having landed in Peru north of Tarapaca will reach you by telegraph sometime before this letter reaches you. The views I have heretofore expressed in my letter of August 14, 1879 (No. 4), are unchanged as to the general object of the war. The landing at Pisagua accomplished the reduction of the Peruvian province of Tarapaca, but not the occupation of Southern Peru, and the capture or dispersion of the allied armies there stationed; nor the dissolution of the Peru-Bolivian alliance, all of which seemed then likely to follow the attack upon Arica.

As, however, this letter has reached a considerable length, and refers to other and more peaceful subjects, I will merely add that in my judgment the next few months will bring about most important questions for all of South America: the change of national boundaries, the establishment of national rights, the opening to civilized industry of parts hitherto neglected or unknown.

These questions must be settled; perhaps none of the South American States is of sufficient preponderance to do this; some friendly neutral power will probably have this work to do. None is more trusted than the United States; none more disinterested and friendly, as history proves. But the great country which successfully carries this work to a conclusion will predominate in all South America for the next century.

Respectfully submitting these suggestions to you and to the State Department through you,

I am, sir, &c.,

HORACE N. FISHER.

No. 410.

Mr. Fisher to Mr. Hunter.

SANTIAGO, CHILI,
October 22, 1880. (Received December 6.)

SIR: In my report to the Department, as bearer of dispatches, dated July 30, 1879, I wrote to the honorable Secretary as follows:

Although it is not within the scope of my duty as bearer of dispatches, I take the liberty of stating that it seems to be the general feeling that, if any occasion for arbitration or mediation in the present war on the west coast should arise, the good offices of the United States would be preferred to those of any other country in America or Europe.

I can now go further, and state with perfect confidence that the only government whose mediation would be accepted by Chili is that of the United States; and I make this statement with the full knowledge of the views of the President and ministry of Chili, and of the views of the leaders of the political parties in the Chilian Congress.

This statement was made in my letter of September 30, 1880, to my friend General Garfield, in which I discussed the questions growing out of Minister Christiancy's recent visit to Chili, and the reasons given why I did not think that the mediation of the United States would prove successful at the present time.

In my letter to your colleague, Mr. Seward (No. 4), dated August 14, 1879, I expressed my opinion at that time as follows:

> In view of the present general unanimity for the vigorous prosecution of the war and of the apparent preparation for immediate military activity, I do not think it advisable to press the idea of arbitration, believing it likely that no basis could be agreed upon which would fix the *status* of the belligerents during negotiations. The idea of arbitration has already been advanced by neutral states of both Europe and America. * * * I am satisfied that the United States would be preferred as arbitrator by all three of the belligerent countries to any other; but that in the present condition of affairs there is so great a difference as to the *status* during negotiations—Chili insisting upon the *status quo* and Peru and Bolivia upon the *status ante bellum*, that it is not advisable to press the subject at present.

I will here state that, from information I have since received, it would have been feasible for Peru—Bolivia to have made peace at that time by the cession to Chili of the "neutral zone," which would have given Autofagasta (already occupied) to Chili if they had had the wisdom to have accepted the condition-precedent insisted upon by Chili in regard to the status during negotiations.

In a later letter to Mr. Seward (No. 5), dated October 9, 1879, I used the following language in regard to mediation and commercial matters discussed with him in June:

> As stated in my last letter to you, I am patiently waiting until the proper time comes for advantageous action, when I shall use such arguments as will, in my judgment, tend to bring about the desired results we discussed in your office at Washington last June. Of course, it is well to remember the homely adage, "It is easier to bring a horse to water than to make him drink;" but I think, as stated to you, that the present war has awakened all of the South American states to a more complete realization of their relations to each other and to other countries, and that it may afford an opportunity much to be desired, of which I am watching the developments now in progress. * * * I have never doubted that Chili would win, and have, as you know, inclined to believe that this war would probably result in advancing the civil and social condition of Spanish America.

As to the last named opinion, I have no reason to question the correctness of the views expressed a year ago.

As to the statement made in the former part of the extract above quoted, I am happy to be able at last to state that my patience has been rewarded, so far, at least, as the results alluded to refer to the plan for opening the Chilian market to American manufactures.

As consul of Chili, I could suggest measures for the mutual advantage of the United States and Chili which no foreign minister could ask for; and the government has accepted, after a prolonged discussion, my recommendation for the assignment of a part of the National Exposition building at Santiago for the permanent exhibition of samples of standard manufactures of the United States of all kinds not likely to deteriorate. There remain a few details to be arranged, which I expect to conclude within a week.

I have also made the proper preliminary arrangements for a new

commercial treaty, on the basis of limited reciprocity, which, however, for certain reasons, cannot be successfully carried through until next year; these reasons I will communicate in person when I report at the Department in Washington, in December.

In addition to the above, I have presented a note to the government, after informal conference, to learn whether it would be well received, in favor of including in the proposed treaty of peace certain commercial provisions, which will, if adopted, make a commercial treaty of reciprocity between the United States and Chili the means not only of vastly benefiting Chili, but of giving the control of the foreign trade of the whole west coast of South America to the United States, a trade which, in 1876, was worth $200,000,000 annually, but of which we only had in that year 3 per cent. I have reason to believe that this suggestion, made in my note of October 19, 1880, has been favorably received by the government and some of the leading statesmen of Chili, and is not unlikely likely to be adopted as a basis of peace negotiations.

Thus, by various means and not a little patience, I have at length attained the principal objects of my present visit to Chili. It has been necessary to wait for the proper opportunities to make the successive steps in this rather complicated affair. But they have been surely taken, and I have no reason for anticipating that there will be serious difficulty in building upon the foundation, thus laid, a comprehensive commercial policy of the United States in regard to South America, whereby the trade of that continent may pass into the hands of the United States for their benefit as well as for ours.

As to mediation, I have already intimated that I have no confidence that the conference at Arica will result in peace at present. I confess that, however much, peace is to be desired, it seems to me doubtful whether the time has quite come to make a peace which will be permanent and allow the belligerents to devote themselves to the development of the great natural resources of their respective countries. Nor do I believe that the interests of other nations will suffer by delay in making peace.

With these views I am forced to believe that the movements in that direction, made by our representatives near the governments of the respective belligerents, have been premature, and that the failure to accomplish the desired results of the mediation of our government, at the Arica conference, is to be apprehended. In fact I took the liberty to express to Minister Osborn, on the morning he left Santiago to attend the Arica conference, that I did not believe that any permanent peace could be negotiated until the Chilian army had arrived in the Bay of Callao, when, in view of the imminent and overwhelming danger to Lima, the Peruvian Government would be entreated by the people of Lima to make any terms of peace necessary to save their city from the dangers incident to a battle fought at its very gates, and that thus the Peruvian dictator would be able to accept the terms of Chili without having his government overthrown. My opinion is that Piérola would be glad to make peace on any terms rather than to continue the war. I give him credit for intelligence enough to understand that the longer the war continues the harder will be the terms granted, and the worse the condition of the country to recover from the effects of the war; that Peru is hopelessly vanquished; that the Peru-Bolivian confederation is impracticable as a permanent thing under existing circumstances, and that sooner or later Peru must sue for peace. But I also think that for Piérola to make peace upon the terms that Chili expects and can enforce, while his army at Lima is intact, and the people are still blinded,

as it seems to have been Piérola's policy, to the completeness of their military and naval overthrow, would not only lead to the violent overthrow of his government by revolution at Lima, but would not unlikely cost him his life if he did not escape from the hands of the mob.

For these reasons I believe that it is hardly possible for the present conference of plenipotentiaries at Arica to make a treaty of peace which will be ratified by the Chilian Congress and accepted by the people of Peru and Bolivia. But when a large and well-equipped veteran army has arrived in Callao Bay and is ready to land under the guns of the Chilian fleet and force its way into the streets of Lima, an army superior in numbers, arms, discipline, and fighting qualities to the improvised army of Piérola, I think that *then and not until then* can the friendly mediation of the United States prove efficient in bringing about peace.

Therefore, I believe that *the true time for our mediation to be made will be after the Chilian army has arrived in the Bay of Callao and at the island of San Lorenzo*, which forms that bay, and is in full sight of Lima. A conference at San Lorenzo would probably, at that time, bring good fruit, which I doubt very much from the conference at Arica.

Meanwhile the military preparations for the march to Lima are rapidly progressing, as the Chilian Government announced in accepting the invitation to take part in the Arica conference, and Peru—Bolivia will not gain time by peace negotiations.

The Turks thus recently saved Constantinople from assault by making peace when the Russian troops came in sight of the dome of San Sophia; yet the Turks are better soldiers than the Peruvians, and had had the satisfaction of having well and stubbornly resisted their conquerors. So I think there is good prospect for successfully carrying out the benevolent intentions of our government as a mediator and a friend—trusted by all the belligerents—by renewing the offer of mediation *after* the Chilian army has reached Callao Bay and before it lands. Then—if the Peruvians are still determined to deceive themselves and trust to defend Lima by force of arms, and mines of dynamite, and similar experiments of doubtful utility, rather than make the best terms they can—I see nothing for it but for our government and our ministers to remain strictly neutral in regard to the sad results which must inevitably ensue.

As Hamilton said, "A country without a government is an awful spectacle," it may also be said that a city taken by assault terrifies the imagination. Both of these spectacles are likely to be presented to the world if no peaceful submission is arranged at San Lorenzo; for it must be remembered that for years Chilian laborers in Peru have been treated worse than dogs; that when war broke out all the Chilians in Peru were ordered to leave the country at a few hours' notice; that at Iquique only six hours' time was allowed them, and there was no ship to take them to Chili, so that some thousand of men, women, and children were forced to cross the desert to Autofagasta, fully half of whom are said to have died of thirst on the way; that Chilian merchants, long resident in Peru, and married to Peruvian women, were ordered away by the *first* steamer, and allowed to take no more than a pittance of specie with them. I met one of these victims on the steamer from Panama to Valparaiso; he was far gone in consumption; his passage home had been given him out of compassion by the steamer's company. He was not allowed to land at Callao, and his wife and daughters bade him an eternal adieu in his stateroom. He seemed to be a very inof-

fensive gentleman. Ladies, whose only offense was their being Chilian by birth, although married to Peruvians, were in like manner summarily deported by the *first* steamer, although it took them away from instead of towards the place they wished to reach. The sufferings of unfortunate Chilian women of humble station became so outrageous that men were sent ashore from the neutral men of-war at Callao to protect them from the violence of the mob. Now, then, when it is remembered that thousands of officers and soldiers in the Chilian army have personal grievances to avenge, aggrieved either in their own persons or of those near and dear to them, it is much to be feared that if Lima should be taken by assault terrible vengeance will be exacted upon the conquered. In prevision of such event I here state the mitigating causes, in order that you may not form too hasty a judgment, and, further, that our government may not, from any disappointment as to the result of its well-intended mediation at the Arica conference, be indisposed to renew its beneficent efforts at a more convenient opportunity to prevent bloodshed and bring about peace.

These opinions I take the liberty to express for the information of our government; they have been formed after a careful study of the questions growing out of the war and anterior to the war, and have been made after observations under exceptionally favorable circumstances during the fifteen months since my arrival in Chili. As nearly as I can judge, Chili will insist upon the following bases of peace:

(1.) Measures which will prevent Peru from resuming the offensive—renewing hostilities—for a term of years;

(2.) Cession of Tarapacá and possibly of Arica, on account of Peru's inability to pay a money indemnity adequate to the cost and damage of the war to Chili;

(3.) Cession of the Bolivian Litoral, between Tarapaca and the former Chilian frontier, for same reason;

(4.) Commercial advantages, allowing Chilian products, &c., to enter Peru and Bolivia free of duty for a fixed time; and I hope to include the nationalized products of Chili.

(5.) Payment of private claims of Chilians for confiscated property.

I expect to conclude the negotiations, which I came here to make so as to be able to leave Valparaiso for the United States, on November 6, and upon my return to have the pleasure of reporting in person at the Department in Washington.

Trusting to find you with your health restored, &c.,

I have, &c.,

HORACE N. FISHER.

No. 411.

Mr. Fisher to Mr. Hunter.

SANTIAGO, CHILI, *October* 29, 1880.

SIR: On the 22d instant I had the honor to write you in reference to questions affecting the interests of the United States. In regard to *mediation*, I stated then that I had "no confidence that the conference at Arica will result in peace at this time," and gave my reasons for apprehending its failure. The official announcement of this disappointing ending of our friendly mediation was officially announced by the Government of Chili in the Diario official of Chili yesterday morning.

It is, however, a pleasant thing for me to report that throughout the whole of the public discussions growing out of the mediation of the United States, I have not observed the least harshness of opinion expressed towards the United States either in Congress, in the press, at the clubs, nor in private. On the contrary, the unanimous opinion in Chili has been, so far as I can judge, that the United States Government has been actuated by the most friendly sentiments, and its good offices have been accepted, by Chili at least, in the same generous spirit and from a desire to avoid unnecessary bloodshed, reserving, however, its freedom to enforce a peace which shall prevent a repetition of the danger which has menaced Chili.

I am satisfied that no other country but our own could have passed through the crucial ordeal of probably the bitterest debate ever had in the Chilian Congress, to which Mr. Christiancy's visit to Chili gave rise, with such unqualified proofs of respect; and therefore believe that our government has gained rather than lost influence, in spite of the failure of the Arica conference held under its auspices.

There seems no reasons for modifying my opinions, expressed in my letter of October 22, that the movements of the representative of our government were premature, and (2) that the friendly mediation of the United States may be renewed under circumstances indicated in that letter, when they will be gladly received by all of the belligerents and will, if judiciously managed, not only solve one of the most delicate problems of interstate differences, but prove for the permanent advantage of the United States both from a political and commercial standpoint.

Although the result of the Arica conference is naturally a disappointment, and may even prove an embarrassment to our own government in many respects, still I hold to the opinion expressed in my last letter, that "however much peace is to be desired, it seems to me doubtful whether the time has come to make a peace which will be permanent and allow the belligerents to devote themselves to the development of the great natural resources of their respective countries." This opinion is not suddenly formed, but is the result of a careful study of the relations heretofore and still existing between not only the belligerent states but between all of the states of South America.

In a memorandum upon the relations of the different states of South America, which I forwarded to you early in the present year, I briefly reviewed the peculiar relations which each state of South America had with *every one* of its neighbors growing out of their conflicting title to unoccupied lands or lands until recently of but a nominal importance. The present war is one of the results of that unfortunate condition of things. This conflict of claims has proved a factor for evil in the history of South America for more than half a century. Until some proper and definite settlement can be reached similar results are to be expected from time to time in the future. I cannot but think that unless the present war is carried to its logical conclusion, the acknowledgment by one of the belligerents of its complete overthrow in the war, and its unconditional submission to the fate of war, when generosity can safely and consistently be shown by the victor, the result will be adverse to the general and permanent peace of South America; that therefore the interests of humanity and of every foreign nation, as well as of the three belligerent states, will be best served by as rapid a campaign as may be possible to bring Peru-Bolivia to terms of unconditional surrender. No surgeon would be justified to stop his knife in the midst of a capital operation, which must be completed to save the patient's

life, simply because the patient or the by-standers suffer pain, or from sympathy.

In our rebellion how barren the strife, how useless the cost of blood and treasure, if the war had stopped midway! Neither party victorious; each representing views incompatible with a permanent peace with each other; the great permanent results of the war would have been surrendered for the sake of a temporary peace. Similar would be the case with the belligerent states who accepted our mediation if the Arica conference had not failed. An armed peace—nothing less—would have been forced upon not only the belligerents but upon their neighbors. The manifest evils of such a peace should make us so grateful that even our disappointment should give way to joy that so great an evil has been escaped; an evil not intended when the Government of the United States offered to befriend those sister republics which trusted in our friendship, and may become most useful neighbors.

* * * * * * *

Respectfully, your obedient servant,

HORACE N. FISHER.

P. S.—I may be delayed leaving until November 13 by business alluded to in former letter.

H. N. F.

No. 412.

Mr. Shipherd to Mr. Walker Blaine.

Personal.] NEW YORK, *July* 27, 1881. (Received July 28.)

DEAR SIR: On leaving the residence of the Secretary of State yesterday morning, I learned from Senator Blair that the gentleman who had shared the latter part of our interview was the Assistant Secretary of State.

Will you allow me to annex this note to that conversation?

Can you, then, give me the present address of Suarez? and can you suggest a method of awakening in him a desire to confer with me? I would like to meet him at once, but he should properly seek me, and would soon do so if the real facts were hinted to him.

In connection with the examination of the Cochet claim, which the Secretary was good enough to say should be at once entered upon, I shall be glad to be called on from time to time for any explanation or further data which the examiner may desire. Of course, as the papers stand, there are links only outlined and data summarized in some places; I used such data as were placed in my hands in the first instance: these seemed to make a *prima-facie* case; every allegation will be fully supported in detail in due course.

Meanwhile I will prepare and print for the use of the Secretary a brief of the law covering especially the doctrine of choses and their international assignability; this I hope to be able to forward, say by the 15th proximo.

If consistent with all the proprieties of the premises, I would be aided if I knew precisely what the *crédit industriale* desires to do in Peru, and what co-operation on the part of the United States its agents have asked.

Also, if I might have an authentic abstract of the special instructions cabled or posted to Minister Hurlbut concerning the premises discussed with the Secretary on Monday evening and Tuesday morning, I should be able to act with more precise intelligence, and there might be annexed to this any restriction concerning its use which the Secretary should think it proper to direct. I am the sole executive head of both the Landreau and the Cochet claims at present, and shall so continue until the final organization is perfected; and while I do need full and authentic information for my own guidance, I do not need to share it.

Very respectfully,

JACOB R. SHIPHERD.

Hon. WALKER BLAINE,
Assistant Secretary of State.

No. 413.

Mr. Shipherd to Mr. Blaine.

LAW OFFICE OF JACOB R. SHIPHERD,
10 *Spruce street, New York, July* 28, 1881. (Received July 29.)

SIR: In a note to the Third Assistant Secretary of State yesterday I promised to prepare and print at once a brief of the legal questions discussed at our recent conferences. Pending this it occurs to me to forward to the Department, for use in the examination, a duplicate set of all the papers as yet printed, and to add duplicate originals of two affidavits by Mr. Hevner, touching all the material allegations so printed. By the end of August I am to receive from Paris certified original proofs of the death, intestacy, &c., of Alex. Cochet. All other original proofs will be supplied in due course.

While I am writing, it occurs to me to phrase a little more broadly than I did in conversation the suggestion which the Secretary of State was so good as to allow me to make. Our thought and our scheme are in fact as broad as this:

The Landreau and Cochet claims are but subordinate factors in our programme. Equally in the interest of the European holders of $300,000,000 of now worthless Peruvian bonds, and of *Chili* herself, as an admitted creditor, we appear to call a conference of the creditors of the insolvent, to demand a proper receiver and a marshalling of the assets, to the end that equal justice shall be done to all. Neither now nor hereafter shall we demand any more. Equally with all other creditors we are prepared to prove both our claims by incontestable proofs, and to take only our proper place in the settlement.

We appeal to the United States to take such measures only at present as shall effectually forbid Chili, who is only one creditor, to administer alone upon this estate.

We point out that we are the owners *in identity* of every ounce of guano remaining, with large amounts still due.

To allow Chili to touch any guano is impossible; to allow her to annex Tarapacá, with $2,000,000,000 of nitrate for her petty war indemnity, would be monstrous.

"If the court please," we ask an unconditional injunction pending a meeting of creditors, and we ask no more at present.

Very respectfully,

J. R. SHIPHERD.

[Inclosure.]

Deposition of Peter Hevner.

CITY AND COUNTY OF NEW YORK, *ss:*

Peter Hevner, being duly sworn, says:

I was born in Corbin County, Pennsylvania, in 1819. Brought up to general building and contracting.

First went to Peru in 1853; went into general contracting; built railroad from Lima to Chorillos, in 1854, for Don Pedro Coredama. Road was over nine miles; staid about six years; built the powder-works, penitentiary, and a great deal other government work. In 1860 I went into mercantile business in Lima, Callao, Arequipa, and Trugillo; had a house in each place—Hevner, Dockendorff & Co. In 1865 and 1866 I took a contract of the government under which I remodeled the monitor Loa, and rifled the Peruvian cannon which defended the harbor of Callao against Spain.

Then I had government contracts during nearly all my stay in Peru until 1866.

I sold out my commercial interest in 1866, and came to the United States. Went back to Peru in 1872; got the Salaverey and Trogillo Railroad—contract to build it—in company with Larsaga. In 1874 I got the government contract to build a bridge over the Upper Remack; all the materials for which have been destroyed—so says the report—in the port of Molva; these I had shipped from the United States.

First heard of the Landreau claim thirteen years ago; knew J. T. Landreau; began loaning him money about that time. In 1874 I purchased an interest in the claim from Landreau. I soon after advanced him money to bring him to the United States and to bring his brother from New Orleans to meet him in Washington to arrange with the United States Government. When we came to the United States and made our claim before the government, Mr. Thomas was then sent out as minister, and I went back immediately after, and I thereafter got the official information from Mr. Thomas on which I kept on advancing the Landreaus money whenever they wanted it, and I assisted Mr. Thomas in obtaining the material proofs to support the Landreau claim, and I have been pushing this claim ever since. I still own my interest in the claim, and I have a general power of attorney from J. C. Landreau authorizing me to sell out the whole of his interest at my discretion.

On my return to Peru, in 1879, after the return of J. T. Landreau from France, in the same year, I heard from him the principal particulars of the Cochet claim. I had heard generally of Cochet, and that he was recognized by the government and the people of Peru as the true discoverer and utilizer of guano ever since my first arrival in Peru; this was universally known by all well-informed business men in Peru, and I never heard his claim to be the true discoverer questioned by anybody.

Cochet was always recognized to be the true discoverer when the matter was spoken of in my hearing. I can give the names of a number of well-known men who knew this general fact as well as I did; such as Juan Williamson, of Lima; Patrick Dowley, also of Lima, who must now be eighty years of age; J. T. Landreau, General Bustemente, of Lima; James Hinsbey, of Lima, an Englishman, and the great house of Anthony Gibbs & Co., who were at one time very largely in the guano trade. I have other names in my memorandum books which I cannot at the moment recall.

There was also Don Philip Bareda, a brother of M. Bareda, who was formerly minister to the United States. Don Philip and all the others I have named knew Cochet personally and intimately; Cochet in his day was one of the most notable and distinguished men in Peru as a chemist and discoverer.

From Landreau I first learned of the death of Cochet, and of his heir, Gelacio. And on that information I looked up Gelacio, investigated the claim to my own satisfaction, and purchased it. I advanced the money necessary to hunt up the heir's baptismal record and establish his identity and heirship. The necessary steps in these premises I took under advice of Peruvian counsel, who advised me that the papers which I have exhibited to Mr. Shipherd, and which he has printed (in translations), gave full proof under Peruvian law of the rights of Gelacio as sole heir of Alexandre Cochet, and of my title to all such rights by assignment from the heir. I had then no idea of selling these rights, but I demanded and secured all the proofs necessary under advice of counsel to perfect my own title.

As to the Landreau claim in the Senate, Senator Carpenter was the sub-committee who examined the whole case thoroughly, and told me it was the most honest claim that he had ever known to be put before Congress. After his health got bad he sent me to Senator Eaton, and he told me that the Senate would either concur with the House or would throw the whole responsibility on the Executive, as they finally did at my request, and I made that choice under advice of Senator Eaton, who told me that Mr. Blaine was sure to be Secretary of State, and that if the whole responsibility was thrown on the Executive, my case would be better taken care of by Mr. Blaine alone than by both houses of Congress put together.

Mr. Carpenter said to me at a second interview, "Take my compliments to Mr. Eaton, and tell him I have passed that claim favorably, and have done all I can do for it, for I shall not be able to get to the Senate again this session; and as I, as sub-committee, have done all I can do for the claim, Senator Eaton can pass the bill without me."

Then I called upon Mr. Eaton, and it was at that time that he told me that it would be best for me to dispose of the bill as it was disposed of, because Mr. Blaine was sure to be Secretary of State, and he was a progressive man, &c., as I have already stated.

After the bill was passed, Mr. Christy told me that he met Mr. Eaton in the Capitol, and asked him why he had passed the bill in that way, and he replied that he had done the best possible thing for the claim by passing the bill in that way, because Mr. Blaine was sure to be Secretary of State, &c.

As to the measurement of Landreau's deposits, I myself read the official reports published at the time, one by Peruvian officials and the other by English engineers sent over by European bondholders; and the English engineers found a larger amount than the Peruvians. The loan of $200,000,000 was made between 1868 and 1870, in Balta's time. In 1873 Pardo wanted to make another loan. The measurements were made about 1868 and 1869. The loan of $100,000,000 through Dreyfus was made in February, 1880. The Cochet deposits were not exhausted when Landreau's were measured, in fact are not exhausted yet.

I have an original copy in Spanish of the pamphlet which I recently published (in English) for Mr. Shipherd. It cost me nearly $8,000 cash. It was brought from among the papers of the Peruvian Senate. I keep the original pamphlet in Lima, and a copy of it (in Spanish) in Philadelphia. There can be no doubt whatever of the genuineness of the original. I have a copy of another pamphlet written and published by Cochet before 1840. This I received from Gelacio Cochet, as also the photograph of his father, from which the cut I gave Mr. Shipherd was engraved. This photograph I have in Philadelphia.

I first began to observe the guano business particularly in 1860, when I was the preferred man to load guano under contract. I spent ten months there in perfecting my arrangements to take the contract, out of which Calderon (a cousin of the provincial President, to whom the contract was given in my absence) is said to have made $12,000,000. In 1874 I was again the preferred man, but was once more absent when the award was made.

During the last twenty-one years I have watched the business closely in Peru and in this country, and the figures which I gave Mr. Shipherd, and which he has put into his pamphlet, are summaries and averages of official statistics which I have myself read in the official journals, and which I am prepared to verify by original proofs at the proper time. I personally and well knew the house of Anthony, Gibbs & Co., at Lima, as also John T. Ford, ever since he first came to Lima to open the Bank of Mexico, London, and South America, the first bank ever opened in Lima, and Dreyfus when he was a retail dry-goods merchant, before he went into guano first.

The account I gave Mr. Shipherd of the manner in which Dreyfus got his first guano contract was town talk; it was universally reported, and never questioned as to its accuracy. I intimately knew all the leading guano men of Peru during my residence there, including Schell, Dreyfus's partner—who grew very wealthy; and Don Filipo Baredas, Whitt, Schutt & Co., and Schama Condeya.

I also intimately knew Presidents Pardo, Prado, Piérola, Balta, Castija, and Calderon. For about fifteen years under Castija I had every contract the government gave out; no other man had one.

As to the nitrate business, my attention was called to it by Mr. James Matthews about twenty years ago—say 1860. I never was in it myself, but I noticed that John Gildermeister, Anthony, Gibbs & Co., Schama Condeya, and every one else who was largely in the business made fortunes out of it. Aside from the names above given, the chief operators in nitrate were Chelanos. President Pardo went into it very largely just before he was killed.

The figures I gave Mr. Shipherd and which he published in his pamphlet are based upon the official returns published monthly and quarterly, which I made a habit of reading myself, as they appeared for many years.

The extract printed at the foot of page 43 in Mr. Shipherd's pamphlet is from the pamphlet for which I paid nearly $8,000, as above recited; its accuracy Mr. Williamson and I tested by personal examinations of the original files of the Correo and Comercio therein referred to. These examinations were chiefly made by Mr. Williamson, but in my presence and with my help, in the public library in Lima.

There can be no question as to the substantial accuracy of that extract.

P. HEVNER.

Sworn to before me this 11th day of July, 1881.

CHAS. SPIRO,
Notary Public, New York County.

CITY AND COUNTY OF NEW YORK, *ss:*

Peter Hevner, being duly sworn, says:

I have read the Prospectus of the Peruvian Company and the reprint of papers executed by Gelacio Cochet, and I hereby state for the guidance and safe reliance of Jacob R. Shipherd and whomsoever else it may concern, that the statements of fact in the said Prospectus are substantially true to my own knowledge, and that the agreement of sale and powers of attorney, as printed and signed by me for identification, are true copies of a true translation of the originals in Spanish, and that the said originals were duly executed and delivered by Gelacio Cochet in my presence for the uses and purposes therein specified.

P. HEVNER.

Sworn to before me this 23d day of May, 1881.

FRED. F. NUGENT,
Notary Public (14) *New York County.*

[Private. Copy No. 71.]

NOTE.—Only a limited number of copies of this Prospectus is printed, and these are for the *strictly private* use of the gentlemen in whose hands they are immediately placed. Not only is no offer of stock to be made to the public, but until the organization is finally complete, and its executive policy settled, no information of its existence or plans is intended for the public. The proprietors rely upon the courtesy of those to whom these copies are intrusted, and of those under whose eyes they may fall, to observe the confidence implied in the premises.

PROSPECTUS OF THE PERUVIAN COMPANY.

I.—HISTORICAL SKETCH.

In the year 1833, the Government of Peru, by published decree promised to every discoverer of valuable deposits upon the public domain a premium of one-third of the discovery; this as an incentive to the development of great natural resources vaguely known to exist. The condition of the Peruvian people at this time has been well described by an American capitalist, for more than thirty years resident at Lima, and familiar by personal exploration with the entire country:

"The exhausted condition in which the young republic was left, after the agitated era of emancipation and the civil contentions which followed, brought about a period of inanition which had its crowning point in the general belief that now that the Peruvian people were their own masters, they had nothing to do but enjoy their so-called liberty. Commercial pursuits they left to foreigners; mining and agricultural industry was scarcely thought of; invitations were made to the world at large to come and partake of the wealth which the former offered to the enterprising capitalist, and the latter was consigned almost exclusively to the forced labor of the slave population; both being attended by too great trouble on the part of their natural owners, to care minding about; and an extraordinary stress was laid on the development of the resources of the country by foreigners, which would enable the natives to live at ease without the obligation of putting their hand to work so far inferior to their habits.

"For the first sixteen years this indolent system was indulged in, mingled occasionally with scenes of bloodshed and civil war, in order to acquire a mastery over the expiring elements of former greatness, the only step made toward opening up the resources of the country being confined to the establishment about the year 1830, of the nitrate industry in the province of Tarapaca."

II.—THE DISCOVERER OF GUANO.

The narrative from which we have just quoted continues:

"In the beginning of the year 1830, Alexandre Cochet, a Frenchman, a chemist, and a man of superior information, occupied himself in the laborious work of manufacturing nitrate of soda in a small *oficina* in the above-named province; and being a man of quick intelligence, and a careful observer, he soon came to understand that the valuable properties contained in the guano—an article only known to the native cultivators of the soil—would be eminently useful as a restorative to the exhausted lands of the old continent. With this idea, he made himself completely master of the mode of application adopted by the Indians and small farmers in the province where he resided; and after a careful investigation of the chemical effects produced on the land by the proper application of this regenerating agent he proceeded in the year 1840 to the capital (Lima) in order to interest some of his friends in this new enterprise.

"Not without great persuasion and much hesitation, he induced his countryman, Mr. Achilles Allier, to take up the hazardous speculation and join with him in his discovery. He succeeded, however, and toward the end of the same year (1840) the firm of Quiroz & Allier obtained a concession for six years from the Government of Peru, for the exportation of all the guano existing on the afterward famous islands of Chinchi, for the sum of sixty thousand dollars.

"In consequence of the refusal of that firm to admit Cochet, the discoverer, to a participation in the profits growing out of this contract, a series of lawsuits resulted, and a paper war ensued in which Cochet was baffled. In vain he called the attention of the government to the nature and value of this discovery; he was told that he was a 'visionary.' In vain he demonstrated that the nation possessed hundreds of millions of dollars in the guano deposits; this only confirmed the opinion of the council of state that he was a madman. In vain he attempted to prove that one cargo of guano was equal to fourteen cargoes of grain; the council of State coolly told him that the guano was an article known to the Spaniards, and of no value; that Commissioner Humbolt had referred to it, and that they could not accept his theory respecting its superior properties, its value, and its probable use in foreign agriculture at a period when no new discovery could be made relative to an article so long and of so evident small value.

"Thus the Peruvian Government, instead of accepting Cochet's calculations actually prolonged the term of the concession given to Quiroz & Allier from that of six years to a period of nine, and even discussed the question of whether they should dispose of the guano at all for foreign consumption, instead of retaining it for the exclusive use of the national agriculture, regarding with perfect indifference the estimated value of the article, represented by Cochet in hundreds of millions of dollars.

"At length a new light began to drawn on the lethargic understanding of the officials in power; and as rumors continued to arrive from Europe confirming the asseverations of Cochet, and announcing the sale of guano at from ninety to a hundred and twenty dollars per ton, a degree of haste was suddenly evinced to secure once more for the public treasury this new and unexampled source of wealth. Proceedings were adopted to annul the concession given to Quiroz & Allier, and at one blow the contract with them was reduced to one year.

"The litigious spirit was again revived, and these men, who were the first to open up the guano enterprise, and who had counted upon the possession of untold millions, were summarily ejected from the deposits, and their claims canceled by the payment of ten thousand tons of guano which Congress decreed them.

"There still remained to be settled the just and acknowledged indebtedness for benefits conferred on the country by Cochet, benefits which could not be denied, as wealth and prosperity rolled in on the government and on the people; but few, if any, troubled themselves about the question, to whom they were indebted for so much good fortune, nor had time to pay particular attention to Cochet's claims.

"As in all great controversies, and in order to debate as much as possible the value of the Quiroz claims, expediency compelled the Peruvian Congress to play off the exalted pretensions of the one against the modest assertion of the other. Congress, therefore, arrived at the conclus on that if Quiroz & Allier were the first to introduce guano into Europe, as an article of commerce, they were only induced to do so by Cochet's disclosure to them of the great value of its chief element—ammonia; a secret of which he alone was the original discoverer; and this suggestion was amply confirmed by the fact that Quiroz & Allier offered it in the European markets as crude ammonia only.

"But as Cochet continued to descant on its value as a wonderful fertilizer, the subject at length engaged the attention of the heads of the mercantile houses established in Lima, and very soon competitors were found to undertake the consignment and sale of the article in England, with the offer of liberal loans to government on condition of securing the consignment. Thus, almost involuntarily, Congress was led to declare Cochet the true discoverer of the value, uses, and application of guano for European agriculture, and a grant of five thousand tons was made in his favor, September 30th, 1849, but was never paid him.

"After passing a period of years in hopeless expectancy, from 1840 to 1851, his impoverished circumstances made it necessary for him to endeavor to procure, through the influence of his own government, that measure of support in favor of his claims which would insure him a competency for his old age.

"He resolved on returning to France, after having spent the best part of his life in the service of a country whose cities had risen from desolation to splendor under the sole magic of his touch; a touch that had in it for Peru all the fabled power of the long-sought 'philosopher's stone.'"

It was this discoverer of guano who also first took quinine from Peruvian bark, and who was among the first to develop the exhaustless wealth of the great nitrate beds. For the discovery of quinine the Government of Bolivia gave him a voluntary testime-

nial of $10,000; for revealing to Peru $1,500,000,000 worth of guano the large-promising Peruvians have not yet found it convenient to pay to him or to his heirs a single dollar.

In 1853 Cochet returned to France; but he was then already exhausted by enthusiastic explorations in a deadly climate, and never rallied. He lingered in poverty and obscurity for eleven painful years, and died in Paris in an almshouse in 1864, entitled to an estate worth $500,000,000—the richest man in the history of the world—and was buried by the city in the potter's field; his wonderful history well illustrating afresh the fact that truth indeed is stranger than any fiction. The fancies of the Arabian Nights dale before the text of this plain biography.

III.—A SECOND DICOVERER.

About the year 1844, Jean Théophile Landreau, also a French citizen, in partnership with his brother John C. Landreau, a naturalized American citizen, upon the faith of the promised premium of 33⅓ per cent. entered upon a series of extended, systematic, and scientific explorations with a view of ascertaining whether the deposits of guano particularly pointed out by Cochet constituted the entire guano deposits of Peru, and with money furnished by his partner John, Théophile prosecuted his researches with remarkable energy, and with great success, for twelve years, identifying beds not before known to the value of not less than $400,000,000. Well aware, however, of the manner in which his fellow-countryman had been neglected by an unprincipled people, he had the discretion to keep his own counsel, and to extort from the Peruvian authorities an absolute agreement in advance, before he revealed his treasure. This agreement was, indeed, for a royalty of less than one-sixth the amount promised, but the most solemn assurances were given that the lessened amount would be promptly and cheerfully paid; its total would give the brothers each a large fortune, and payments were to begin at once.

The solemn agreement having been concluded and duly certified, the precious deposits having been pointed out and taken possession of by the profligate government, the brothers were at first put off with plausible pretexts of delay, and when these grew monotonous, the government calmly issued a decree recognizing the discoveries, *accepting the treasure*, and annulling the contract, with a suggestion that a more suitable agreement might be arranged in the future.

An eye-witness writes:

"The now recorded history of Cochet has been repeated, after fifteen years, in the person of Mr. Landreau, to whom the Central and Southern American republics owe something for his interesting information regarding their productions and on the canal question. Landreau has also explored Peru, and has there followed up with success that which was initiated by Cochet. He has pointed out to the Peruvian Government the numerous deposits of huano discovered by him, making an aggregate of value only to be compared with that once contained in the Chincha Islands; by this means he furnished the government with substantial material, which enabled it to raise its sinking credit and realize the financial transactions of 1870, through the contract Dreyffus, and the stupendous loans for the construction of railways. But for these signal benefits, Landreau has, as yet, not received one single cent, notwithstanding the issue of a decree recognizing in his favor six per cent. of the estimated value of his discoveries. It is easy to see that the same recognitions, and the same promises, and those pompous offers made toward Cochet have been lavishly bestowed upon Landreau, to end, probably, in a similar way, even with all his rights and titles and contracts, upon which he grounded his hopes of recompense.

"The following is a summary of his case:

"In the year 1856 Landreau revealed to the Peruvian Government the fact that he had made fresh huano discoveries. Shortly after this a conspiracy was got up against him, he was incarcerated, and his papers instantaneously disappeared from the ministerial chambers. Landreau, nothing daunted, renewed his documentary titles of 1856 in 1859, and was so far fortunate as to secure in November of 1865 an official recognition of the premium of six per cent. on the value of his deposits, by decree and public contract made in his favor, thus baffling all the hostilities raised against him, even on the part of the French legation.

"In the year 1868 the government published a list of all the deposits of huano discovered by him; and by so doing, confidence was restored, the Dreyffus contract was entered into, and loans to the amount of two hundred million of dollars were obtained.

"He could render them no further service to the government, and steps were taken to annul his contract and rid the nation of an importunate creditor. He was waylaid by President Pardo's secret police at the entrance of his house on the night of the 20th February, 1874, maltreated, stabbed, and left for dead. Since that date he has been an invalid; and, last of all, the supreme court of the country has de-

clared itself *incompetent* to hear or decide his case against the government. This action, if undertaken by their judges in their superior wisdom, would have told more against them than their places on the bench are worth.

"After twenty-three years of patient labor, of listening to inexhaustible propositions, and of vain attempts at a settlement, Landreau has succeeded in tiring out the patience of this government and the courts, who have cast him off with the pleasant decree that he may look for justice in the manner and form in which it may seem most convenient for him. Such is the way they manage these small things in Peru."

The complacency with which the Peruvian judiciary evade an uncomfortable issue, and relieve themselves of a too successful plaintiff will appear best from the official records.

The contract grudgingly made with Landreau to secure his secret contained a clause confining him for all purposes of redress to the Peruvian courts. With this limitation in mind, the professional reader will not fail to enjoy the brief of plaintiff's attorney, and the opinions at *nisi prius*, general term, and the court of last resort, with the comment of eminent local counsel appended:

Transcripts from the official records in the appeal of Jean Théophile Landreau, partner of John C. Landreau, to the Tribunal Responsibilidad of Peru.

"Manuel Aribe, in the name of Jean Théophile Landreau, appearing before your excellency, with due respect has to state, that conformably with the certified copy of the document which I herewith accompany, it will be seen that on the 2d of November, 1865, the supreme decree of the 24th of October of the same year was duly constituted in an authentic public instrument, by which the supreme government accepted the denunciation which Mr. Landreau made some years before of various deposits of huano, both existing on islands and on the mainland, containing more than five millions of tons. In this decree the conditions of the acceptance of said denunciation were fixed, and these are contained in the six clauses comprehended in said decree, the same being also accepted by the grantee expressly, as was required of him by the sixth clause of the decree, by which means the contract, being then concluded, was transcribed in the legal form of a public authentic document, before Don Claudio José Suarez, notary public. As your excellency will observe, by the first clause, my constituent assumed the obligation to make known to the supreme government and present a list of the deposits of huano he had denounced, delivering up a similar list with that already deposited in the English, French, and United States legations.

"These deposits were not known in Peru as deposits of huano, and this is manifest from the fact that in the course of the examination of the papers an official order was issued to consign in them a list *of all the known deposits of huano* up to that date, which was done at the request of my constituent in order to avoid future questions.

"Your excellency will also observe that by the 2d clause the premium to be awarded him was as follows: 10 per cent. upon the net product of huano, if this did not exceed a million of tons; 8 per cent. upon that which exceeded one million and did not reach two millions; 4 per cent. upon what exceeded three and did not reach four millions, and 2 per cent. upon all that exceeded four and did not reach five millions, and any quantity in excess of this latter to bear no premium whatever. Hence arises the right of my constituent to 10 per cent. of the net product on the number of tons of huano extracted and sold from the denounced deposits comprehended in the list delivered, and which the supreme government caused to be published in the official journal of the capital. (Peruano 31 dicr. 1868.)

"Your excellency will also observe that by the 3d clause my constituent was obliged to limit proceedings relative to the fulfillment of his contract to the action of the tribunal of Peru; for which reason he comes now before your excellency's court as being the judicial authority constituted to pronounce judgment on the contract celebrated with the supreme government, according to the fourth section of the 18th article of the Tribunal Regulations.

"Your excellency will further observe that by the 4th clause it is prohibited on the part of my constituent or his representatives to interfere directly or indirectly in the contracts of consignment or others which the supreme government may celebrate regarding huano from the said deposits, it being established that his right is limited to demand the part which, according to the respective accounts, appertains to him according to the percentage already indicated.

"In the 5th clause it is stipulated that the working of the deposits rests at the will of the supreme government, and in the 6th and last clause that if it can be clearly proved that there existed in the government or in any other authority any official or private information regarding the deposits thus denounced, that this concession would lose its effect.

"There is not the least doubt therefrom, that my constituent has a perfect right to demand the 10 per cent. of the net product of the deposits he has denounced, and which

DEPARTMENT OF STATE, *Washington, January* 23, 1879.

To the President:

The Secretary of State, to whom was referred the resolution of the House of Representatives, of the 7th instant, requesting the President, if not incompatible with the public interest, to furnish to that House "an abstract of such correspondence and other papers as may be on file in the State Department touching the claim of John C. Landreau against the Government of Peru," has the honor to submit the following report and accompanying papers in answer to the resolution.

This claim originates in alleged extensive discoveries of guano deposits, in localities previously unknown or unworked, made within Peruvian jurisdiction between the years 1844 and 1856, by Jean Théophile Landreau, then and still a French subject. Under the compendium of old Spanish law, known as the "Nueva Recopilacion," which forms the basis of the legislation of Peru, and under specific enactments to that end, it is claimed that the discovery of property belonging to the state is to be rewarded by the payment of one-third of its value to the finder. In 1856 Jean Théophile Landreau, having previously associated with himself in the enterprise his brother, John C. Landreau, an undoubted citizen of the United States, made known his discoveries to the Peruvian Government, and solicited the recompense alleged to be due therefor. Since that time the claim has been pressed with varying fortunes. Successive administrations of Peru have, by correspondence, contract, and decree, recognized from time to time the justice of the claim, in principle, and offered compensation in the form of graduated percentages on the amount of guano actually extracted from the discovered deposits, but the offers have as frequently been postponed or rescinded, and up to the present time Jean Théophile Landreau has received from the Government of Peru no compensation whatever.

The American citizenship of one of the brothers brought the claim at an early stage before this government, which, after a time, recognized the justice of the claim of John C. Landreau to a share in the profits of his brother's enterprise, and instructed the minister of the United States at Lima to use his good offices unofficially in his behalf. The correspondence and papers in the case which have accumulated in the Department during the last fifteen years or more, amount to some hundreds of documents, many of them of considerable length, but which are, for the most part, immaterial as elements of the "abstract" called for by the resolution. Most of the points of interest in determining the American citizenship of John C. Landreau, and his right to participate in the recompense claimed by his brother, are contained in an opinion, submitted on the 16th of June, 1874, to the then Secretary of State, Mr. Fish, by the examiner of claims of the Department of State, Henry O'Connor, esq. A copy of the material part of that opinion is herewith transmitted as coming within the purview of the resolution. A copy of the instruction addressed by the Department, on the 25th of July, 1881, to the United States minister at Lima, Mr. Francis Thomas, in which he was, pursuant to the opinion of the examiner of claims, instructed to use his good offices in the adjustment of the claim, is also transmitted.

At the time of Mr. O'Connor's opinion, the French Government had but imperfectly supported the claims of its own citizen, Jean Théophile Landreau, owing, it is represented, to the unfavorable influence exerted by its representatives in Peru. It is now understood that that government is disposed to take action on the claim, as will appear from a report of Mr. Gibbs, the present minister of the United States at Lima, dated June 20th, 1877, giving a succinct abstract of the history of the case as shown by the files of his legation, and its situation at the time, which report is also appended in compliance with the resolution. The present status of the claim is believed to be practically unchanged, except so far as it may be strengthened by the presentation of additional proof of the joint interest of John C. Landreau in his brother's scheme.

All of which is respectfully submitted,

WM. M. EVARTS.

List of papers.

1. Opinion of the examiner of claims. June 16th, 1874. [Extract.]
2. Mr. Fish to Mr. Thomas. No. 92. July 25th, 1874.
3. Mr. Gibbs to Mr. Evarts. No. 169. Lima, June 20th, 1877.

No. 1.

BUREAU OF CLAIMS, *June* 16, 1874.

SUBJECT.—Claim of the brothers J. Théophile Landreau and John C. Landreau, against the Government of Peru, on account of guano discoveries made by Landreau (J. T.), in accordance with a public authorization of the government.

* * * * * * *

The Landreaus were both originally French citizens. J. Théophile Landreau, who is the active man in these Peruvian transactions, the man who made the alleged discoveries, and who dealt directly with the Peruvian authorities, is still a French citizen, never having changed his nationality. John C., his brother, an alleged partner in the Peruvian transactions, is a citizen of the United States. His certificate of naturalization, a copy of which is submitted with the papers now before me, shows that he came to the United States in 1857, being then a minor under the age of 18 years; that he was admitted to citizenship in the sixth district court of Louisiana, at New Orleans, on the 3d of June, 1867; and it further appears that he has been a resident of Hermitage, Louisiana, ever since 1857.

As it is only in virtue of this citizenship of John C. Landreau that the aid of this government may be invoked in behalf of the claim, the first important question to be established is that of John C.'s interest in the transaction, and, assuming that he has such interest, at what date he acquired it.

Upon this question Mr. Brent had submitted no papers. Among the inclosures to Mr. Thomas's present dispatch is a copy of a correspondence between the brothers Landreau, running from December, 1858, to February, 1870 (Inclosure B). The partnership of John C. with his brother Théophile in the Peruvian business forms the topic of all these letters, sixteen in number.

In letter No. 1, December 22d, 1858, Théophile advises John of his success in making rich discoveries of guano in that country, all of which he says belongs to Peru.

In No. 2, dated July 15th, 1859, Théophile says:

"For my part, I accept you as my partner in this business, as well as the advice you give regarding it, and at the same time wait with great impatience the receipt of the five thousand dollars which you say shall be sent to me."

In No. 3, January 2d, 1860, Théophile acknowledged receipt of John's letter of the 15th of October previous, handed to him by a Mr. Charles Johnson, together with a package containing 125 double American gold eagles, of $20 each, and 250 gold American eagles of $10 each, in all $6,250.

In No. 4, March 1, 1860, Théophile writing to John, refers to the opinion of a high Peruvian authority that for the discoveries made by Landreau the government ought justly to pay them a royalty of 33 per cent.

These letters, which number sixteen in all, continue on the same subject, giving a detailed account of the discoveries made, and also of the efforts to have the claim recognized and adjusted by the Peruvian Government.

These letters were not among the papers inclosed by Mr. Brent. They were evidently not taken into consideratson by him in making up his opinion on the merits of the claim. The evidence furnished by the letters in question tends to establish two material facts:

1st. That John C. Landreau had an interest in the discoveries; and,

2d. That such interest existed long anterior to the date of the concession made by the government in November, 1865.

That these two propositions were not established by proof was one of the reasons assigned by Mr. Brent for pronouncing against the claim.

3d. The most material question to be considered is the nature of the obligation of the Peruvian Government to the parties making the discoveries. It cannot, in my opinion, be viewed in the nature of a private contract. It is deducible from the public acts of Peru. Among the inclosures to this dispatch (Thomas, 61) are copies of several decrees on the subject.

No. 1, dated April 17th, 1847, reciting several laws of the republic and the further fact that many natural productions exist, etc., which do not produce any benefit to the treasury, it is enjoined upon the attorneys of the government to give notice to the discoverers, giving to them one-third part of the value of such discoveries.

No. 2, dated December 30th, 1859, is an extract from the opinion of the attorney-general, advising the minister of the treasury that he can accept the discoveries of Landreau, giving to him one-third part of the value of guano discovered, according to what is ordered in paragraph 6 of the vote of the Congress of the government, 13th February, 1833.

No. 3, October 24th, 1865, authorizes a contract with Landreau, and fixes the terms: 10 per cent. on the first million tons; 8 per cent. on the second million; 6 per cent. on the third million; 4 per cent. on the fourth million, and 2 per cent. on the fifth million; all above five millions belongs to the government, free of royalty. Neither Landreau nor any person can commence any legal proceedings before any other tribunals or authorities than those of the republic, and according to the laws of the country, renouncing expressly all diplomatic intervention.

Next follows a schedule of the discoveries made by Landreau. They appear to be extensive and of great value.

No. 5, December 12th, 1868, is a decree declaring the contract with Landreau null and void, alleging as a reason that the premium stipulated to be given him by the gov-

ernment is of such great amount that it can never be paid, and providing for a commissioner to examine the quality of the deposits, etc., with a view to a new contract.

The above comprises all the new facts furnished by Mr. Thomas which can be deemed material. The remaining inclosures relate to the personal issue with Brent.

Conclusion. It appears to be established:

1st. That Landreau made extensive discoveries of guano; that they were of great value, and that the benefits inured to the Government of Peru.

2d. That the explorations were undertaken by him on the faith of the decrees of the government, holding out the promise of a royalty of 33 per cent. to discoverers; expressly declaring that it was open to foreigners and citizens of the republic alike.

3d. That the discoveries made by Landreau were the result of great labor, research, and skill on his part, continued through several years.

4th. That large sums of money were expended by the Landreaus in making these discoveries, and that much of this money was furnished by John C. Landreau, a citizen of the United States, and that the money was transmitted by the latter from the United States to his brother in Peru.

5th. That the action of the Peruvian Government, as evinced by its decree of the 12th of December, 1868, declaring the previous concessions to Landreau null and void, is in effect a denial of justice and a violation of the terms of the concession.

In view of the foregoing premises, I am of the opinion that John C. Landreau should have an opportunity of asserting his claim before the tribunals of Peru, according to the terms of the decree of the 24th of October, 1865. As this remedy, however, seems to be foreclosed to him by the subsequent decree of the 12th of December, 1868, justice and equity alike demand that the Peruvian Government should agree to have the question submitted to some other tribunal, that its merits may be fully and fairly investigated, and the rights of the claimants determined, without any expression of opinion by the Department on the merits of the claim itself. It appears to me that the circumstances of the case justify its interposition on Mr. John C. Landreau's behalf, to the extent of demanding such an investigation. A reference to arbitration might be the best mode of securing an impartial hearing to both parties.

Respectfully submitted.

HENRY O'CONNOR.

No. 2.

Mr. Fish to Mr. Thomas.

No. 92.] DEPARTMENT OF STATE,
Washington, July 25, 1874.

SIR: Referring to your dispatch No. 61, of the 16th of July, 1873, and the Department's instruction No. 37, of the 18th of March previous, in relation to the claim of Mr. J. C. Landreau against the Government of Peru, I have now to inform you that in a letter recently received from Mr. Landreau, that gentleman again invokes the interposition of this government, with a view of securing for him a recognition and settlement of his claim by the Government of Peru.

You are already in possession of the facts in relation to this claim, and the documents and proofs presented by Mr. Landreau in support of it are accessible to you from the files of your legation. The claim in question being one growing out of a contract which appears to have been voluntarily entered into by Mr. Landreau's brother with the Peruvian Government, belongs to that class of claims regarding the settlement of which it is the settled practice of this government not to interfere beyond the exercise of its good offices; and even this latter action is confined to cases in which some special features of an equitable character are found to exist. Upon a recent examination of this case by the Department it has reached the conclusion that the claim of Mr. Landreau is entitled to some consideration on these grounds. You are consequently authorized to make use of your good offices, unofficially, with the Peruvian authorities in behalf of Mr. J. C. Landreau, with a view of securing for him from that government a speedy investigation and adjustment of his claim. It is also desired that you will keep the Department advised of your action in relation to the matter, and of any results that may accrue therefrom.

I am, sir, your obedient servant,

HAMILTON FISH.

FRANCIS THOMAS, Esq., etc.

No. 3.

Mr. Gibbs to Mr. Evarts.

No. 169.] LEGATION OF THE UNITED STATES,
Lima, Peru, June 20, 1877.

SIR: In answer to your dispatch, No. 62, of the 15th ultimo, referring to the Landreau claim, I have examined all the correspondence that I can find in the archives of

this legation in relation to the affair, and will give you a sketch of it, so that you may judge how the case stands at present.

I find Mr. Fish wrote to Mr. Brent, the then chargé d'affaires at this legation, March 9, 1871, No. 15, inclosing a copy of a letter from J. C. Landreau, at Louisiana, dated February 23, 1871, directed to the Department, complaining of contract which he alleges that the Peruvian Government had made with him.

On the 1st of May, 1871, Mr. Brent answers in dispatch No. 256, in which he gives his ideas relative to the claim, doubting the right of the United States to use its influence in the affair. The principal reason is, in the primary agreement with Landreau, the government stipulates that no diplomatic intervention shall take place.

June 23, 1871, No. 79. Mr. Fish writes Mr. Little, then minister, saying that Mr. Brent's conclusions were approved.

January 11, 1872, No. 25. Mr. Fish writes Mr. Brent, informing him that Mr. J. C. Landreau, under date of 28th of November, 1871, from Louisiana, had written to the Department, making grave charges relative to his alleged conduct in the connection with this claim. The charges were in a letter inclosed with the dispatch, which also inclosed a copy of a letter from Mr. Brent dated at Lima, January 13, 1871, to Mr. J. Théophile Landreau, speaking favorably of the claim, and urging Mr. Landreau to return to Washington to lay the case before Mr. Fish.

February 20, 1872, No. 27. Mr. Brent to Mr. Fish, in answer to No. 25, of January 11, with explanations and denial of the charges, and also referring to various documents of which no copies exist in this legation.

April 2, 1872, No, 34. Mr. Brent informs Mr. Fish that the French Government had ordered its minister to hold no further communication with Mr. J. Théophile Landreau.

May 1, 1872, No. 31. Mr. Fish to Mr. Brent, answering No. 27, and requesting that Mr. Brent would not take any further steps in the matter.

October 28, 1872, Mr. Thomas, my predecessor, wrote to Mr. Landreau to call at the legation, as he was prepared to assist him to investigate the claim.

July 11, 1873, No. 61. A lengthy communication dated at Cumberland, Maryland, from Mr. Thomas to Mr. Fish, with a detailed account of the Landreau claim, referring to various inclosures.

May 28, 1874, No. 75. Mr. Thomas to the minister of foreign affairs. This is the first document I find where the United States take any part in the claim with the Peruvian Government. Mr. Thomas states that, at the request of Mr. Landreau, he incloses from Mr. Landreau to the minister of the treasury protesting against a decree referred to of April 21, 1874, published in the official paper about the guano deposits. Mr. Thomas states that he makes the communication to protect the interests of J. C. Landreau, an American citizen, brother of J. Théophile Landreau, the discoverer of the guano, and who had purchased in 1859 a half interest in the discoveries. Mr. Landreau, in his letter to the minister of the treasury, in his own name and of his brother, protests against the decree of April 21, and shows that the discoveries referred to were made by him, and mentioned in his lists sent in to the government in 1856 and 1859, the 2d of November, 1865, and in 1868, which were accepted by the government, December 12th of that year, as published in a supreme decree, on the 31st December, in the official paper of Lima.

May 29, 1874, No. 15. The minister of foreign affairs acknowledges the receipt of this note.

July 28, 1874, No. 92. Mr. Fish to Mr. Thomas, referring to dispatch from Mr. Thomas of July 16, 1873, says that it is one of the class of claims of which it is the settled practice of the United States Government not to interfere beyond the exercise of its good offices; but on examination the Department has reached the conclusion that the claim of Landreau is entitled to some consideration, and therefore Mr. Thomas is authorized to make use of his good offices unofficially, with the Peruvian authorities on behalf of Landreau to secure a speedy investigation and adjustment of the claim, also to keep the Department advised.

August 5, 1874. Mr. Thomas to the minister of foreign affairs, No. 87, inclosing a protest of Landreau to the minister of the treasury, that in so doing, Mr. Thomas states that he is not acting under instructions from his government, nor prepared to make a demand for the claim.

August 8, 1874, No. 121. Mr. Thomas to Mr. Fish, referring to note of 28th May to minister of foreign affairs, inclosing copy of paper filed by Landreau, showing geographical position of deposits.

September 3, 1874, No. 33. The minister of foreign affairs answers Mr. Thomas note of August 5, with Landreau's protest, taking note of the disclaimer made by Mr. Thomas of not proceeding in the name of the United States Government to prefer a claim.

September 8, 1874. Mr. Thomas to the minister of foreign affairs, claiming some sixteen letters in power of a Mr. Deboy. These letters are in the French language, addressed by Mr. J. Théophile Landreau to J. C. Landreau, the American citizen, and are evidence of his claim against his brother, or of the assistance given by him to his

brother to enable him to make the discoveries of the guano-beds. Mr. Thomas claims them so as to be able to file them in this legation in proof of Mr. J. C. Landreau's right.

September 18, No. 36 The minister of foreign affairs to Mr. Thomas, acknowledging the receipt of note of September 8, and promising to notify the minister of justice of the claim.

October 13, No. 183. Mr. Thomas to Mr. Fish, inclosing copies of six letters and translations in support of Mr. Landreau's claim.

Mr. Fish to Mr. Thomas, No. 108, November 5, acknowleding receipt of No. 133, of October 13, remarks on the character of the claim, it being merely an implied contract, and that the Department did not regard such questions as of an international character, and informing Mr. Thomas that his course must be limited to unofficial good offices.

Mr. Thomas writes February 2, 1875, No. 155, informing the Department that he had received the sixteen letters that establish the right of J. C. Landreau to one-half of the profits of the guano claim.

March 12, 1875, No. 112. Mr. Thomas incloses to the minister of foreign affairs copies of the letters referred to above, stating that they are relied upon by Mr. J. C. Landreau, as proof of the right of Mr. J. C. Landreau, an American citizen, to the claim against the Peruvian Government.

May 28, No. 2. Mr. Fish, in his instructions to me on my departure from the United States to this post, says that I can proceed unofficially to use my good offices on the claim.

September 4, 1875, No. 24.—I informed the Department that I had called on the lately-appointed French minister relative to the claim. He informed me that he had instructions from his government to investigate the affair, and had received a history of the claim from Landreau which he had forwarded to his government.

This is the history of the case as it stands in the archives of this legation.

Mr. J. C. Landreau is in Paris prosecuting his claim before the French Government. The case is now before the final court here, "responsibilidad," equal to "cassation" in France, which meets seldom.

I called on the French chargé d'affaires to-day in reference to the matter. He informed me that the Duc Decazes, minister of foreign affairs in France, had written asking for the decrees given in the lower courts in 1876. This was answered January 20, 1877. Since then nothing further had been heard from the minister. He also stated that he had written to the department of foreign affairs that he had consulted Mr. Jaquet, the attorney of Landreau, to compromise with the Peruvian Government by taking a certain sum for the claim, and that he believed it would have effect. He informed me that he understood that negotiations were under way to that end.

From my dispatch on the financial affairs of this country you may judge of the ability or probability of Peru ever being able to pay the claim, even if made good.

I am., &c.,

RICHARD GIBBS.

IV.—REPORT OF THE COMMITTEE ON FOREIGN AFFAIRS.

The Committee on Foreign Affairs, to whom was referred the petition of John C. Landreau, a naturalized citizen of the United States, who seeks the aid of the Government of the United States in furtherance of his claim against the Government of Peru, having had the same under consideration, submit the following report:

The claim of the petitioner, John C. Landreau, is set forth in his petition to Congress, and is as follows:

No. 1.

To the Senate and House of Representatives of the United States of America in Congress assembled:

Your petitioner, John C. Landreau, respectfully represents:

That he is a naturalized citizen of the United States, and has resided in the State of Louisiana since the year 1857; that his brother, J. Théophile Landreau, is a citizen of France; that your petitioner and his said brother are creditors of the Government of Peru in the amount hereinafter stated; that the said amount is due to them as copartners; that their claim is founded upon and grows out of a published decree and proclamation of the said Government of Peru; that their said claim has long since been due and payable; that it has repeatedly been recognized and admitted as just and valid by different administrations of said Government of Peru; that relying upon said decree and proclamation, the said Théophile being possessed of great experience and extensive scientific knowledge, devoted years of toil and self-denial to, and expended large sums of money in the development of the theretofore hidden and unknown resources of said

government; and that during this time your petitioner furnished and supplied large sums of money to the said Théophile, which were used and applied by him to the advancement of his labors aforesaid, or to satisfy indebtedness by him contracted in prosecuting said enterprise.

That the labors of said Théophile were finally crowned with success, and resulted in great material advantage to said government.

That the fruits of the discoveries made by said Théophile have been wholly appropriated by the said government, without any compensation whatever being made to him therefor; and this, notwithstanding that thereby the said government has been able to restore and sustain its credit in the financial markets of the world, and notwithstanding the wealth and prosperity of said government have been greatly increased and advanced thereby; that said claim was not paid or satisfied in the first instance, because as was alleged by said government, the sum due said Théophile by the fair and reasonable construction of the terms of said proclamation and decree was so large, as to make it beyond the ability of said government to pay or satisfy; that thereupon and thereafter, said government entered into negotiations with the said Théophile looking to the reduction of said claim to an amount within the financial ability of said government to pay and satisfy; that the said Théophile and your petitioner, impelled by equitable considerations, waived their strict and legal rights, and made concessions in the premises.

Whereupon said government on, to wit, the 24th day of October, A. D. 1865, submitted a basis of settlement which was subsequently accepted by said Théophile and your petitioner. That notwithstanding the premises, the said government thereafter refused to carry out the agreement aforesaid, but wholly disregarded the same and every part thereof, and this in violation and disregard of right and justice and of its solemn agreements and covenants. That the said Théophile and your petitioner have been at all times and are now willing to give great indulgence to the said government as to the time and manner of payment of said claim; and if said government is unable to pay said claim in cash, are willing to accept the bonds of said government bearing a moderate rate of interest and payable at some reasonable time in the future. That said claim cannot be sued upon or enforced in the judicial tribunals of said government. That the Department of State of this government, though admitting the justice and equity thereof, declines to enter into diplomatic correspondence with reference to the said claim, solely upon the ground that it arises *ex contractu* and not *ex delicto*. That your petitioner is wholly remediless in the premises, unless through the intervention in his behalf of your honorable bodies. That the principle as to the duty and right of your honorable bodies to interfere on behalf of its citizens in such cases, has been, after full consideration and inquiry, heretofore settled and determined.

And your petitioner craves leave to refer to the act of Congress, approved March 3, A. D. 1875, entitled "An act for the relief of Joseph H. Colton" (United States Statutes at Large, vol. 18, part 3, p. 661), in support of this averment. That the extent, origin, and nature of the interest of your petitioner in said claim has been fully communicated to the said Government of Peru by documents duly authenticated, and now on file with the proper department thereof.

Your petitioner submits herewith a history of the said claim, marked Exhibit J. C. L., No. 1.

Whereupon he prays that this his petition may be received and duly considered, and that he may have such relief in the premises as may be just and right.

JOHN C. LANDREAU.

The claim of the petitioner and the facts set forth therein were made the subject of an examination by Mr. Henry O'Connor, examiner of claims in the State Department, with an elaborate opinion in relation thereto, submitted to Hon. Hamilton Fish, then Secretary of State, and is herewith embraced in this report.

(Printed above.)

The official correspondence of the State Department in relation to the claim is also submitted.

(Printed above.)

From a careful perusal of the foregoing official correspondence and a consideration of the facts therein disclosed, your committee are of the opinion that the claim of John C. Landreau is entitled to and ought to receive the favorable action of Congress.

FINDING OF FACT.

The following facts appear to be true and fully established by the testimony and documents submitted:

1. That the claimant, John C. Landreau, is a lawfully naturalized citizen of the United States.

2. That he derives his interest in said claim through his brother Jean Théophile Landreau, a citizen of France.

3. That said claim is founded upon the discovery of large and valuable deposits of guano, and that said deposits were converted by the Government of Peru to its own use, without making to the Landreau brothers any compensation whatever therefor.

4. That before Jean Théophile Landreau entered upon his laborious and expensive explorations, and before the said John C. Landreau advanced the large sums of money mentioned in said official documents to his said brother, the said Government of Peru had, by published decrees and proclamations, explicitly pledged itself to reward all persons, citizens or foreigners, discovering property theretofore unknown and belonging to said Government of Peru, with one-third of the value of such property.

5. That the discoveries of the deposits of guano resulted in great material advantages to said Government of Peru.

6. That the Landreau brothers have conducted themselves toward the said Government of Peru in endeavoring to obtain an adjustment and payment of their said claim, long since due and payable, in a fair and liberal manner, and have offered to make great concessions.

7. That the said Government of Peru has repeatedly recognized the validity and justness of said claim, and its legal obligations to pay the same, but has as frequently neglected to pay the same.

8. That the legislative branch of said government has declined to intervene on behalf of said claimants, or either of them, upon the alleged ground of want of jurisdiction over the subject-matter.

9. That the judicial branch of said government has likewise refused to render any aid or assistance to said claimants, or either of them, as against said Government of Peru.

10. That the executive branch of said Government of Peru has declined to render any account to the said claimants, or either of them, of the amount or value of the said property of said claimants taken by said government and converted to its own use, or to permit said claimants, or either of them, to examine the official records of said government touching said property so used and converted as aforesaid.

11. That the said Government of Peru has *denied justice* to said claimants and each of them in respect to their said claim.

12. That said claim still subsists in its entirety, unpaid and unsatisfied.

13. That all attempts of the said claimants to obtain relief through amicable negotiations have wholly failed of success.

14. That the unofficial efforts of the State Department of the United States, by correspondence and by the personal efforts of the duly accredited ministers of the United States to said Government of Peru, have likewise wholly failed of success.

CONCLUSIONS OF LAW.

As to the law of the case, your subcommittee submits the following conclusions at which he has arrived, for the consideration of the committee:

1. Congress established the principle of intervention on behalf of a citizen of the United States, having a *bona-fide* claim against a foreign government, the payment of which was unreasonably delayed by the act of March 3d, 1875, entitled "An act for the relief of Joseph H. Colton."

REMARK.—The principle involved in this act for the relief of said Joseph H. Colton, in respect to his claim against Bolivia, is certainly broad enough to cover perfectly the case under discussion.

If there be any distinction, the claim of the Landreaus is entitled to greater consideration. The amount involved is immeasurably greater, and the delay of payment longer.

The United States and Bolivia had public treaties providing for the reference of claims to a mixed commission for adjustment at and before the passage of said act as it now has with the Government of Peru.

But no proviso of any treaty that would prevent such mixed commission to take jurisdiction of a copartnership claim, which copartnership was composed of persons of different citizenships, exists. The committee of the other house of Congress, in stating the principle that should control in such cases, say, "They entertain no doubt that whenever a foreign government clearly owes an obligation to a citizen of the United States, this government should notice the obligation and should not hesitate to assert it. So much, it is apprehended, the government may do in every such case."

2. That it has been the invariable usage of all nations from the beginning of organized societies to demand reparation of the offending nation that has committed a tortious act to the damage of one of its citizens, and to enforce such demand by reprisal, or war, if need be.

REMARK.—As soon as the deposits of guano were discovered the interests of the Landreaus attached thereto, and the conversion of the entire property to its own use by the Government of Peru, without making compensation to the discoverers, was an

undoubted tort. I am unable to see any difference on principle in this case from the case of an alien mining for precious metals within the territorial limits of the Government of Peru, with the permission of that government, subject to a general law entitling the government to a royalty upon the ores that might be taken from the mines. Would it be contended for one moment that in the latter case the sovereign of the alien would not be bound by every principle of justice and international law to intervene if the foreign government, under pretense of securing the royalty, should seize and convert to its own use the entire body of the precious ore?

3. That the following are likewise well-settled principles of international law in respect to the duty of every sovereignty to enforce the claims of its citizens growing out of *contracts* with foreign nations:

"The promises, the conventions, all the private contracts of the sovereign are naturally subject to the same rules as those of private persons."—Vattel, § 213.

"The conventions and contracts which the sovereign, in his sovereign character, and in the name of the state, forms with private individuals of a foreign nation, fall under the rules we have laid down with respect to public treaties."—§ 214, Idem.

"When a lawful power contracts in the name of the state, it lays an obligation on the nation itself, and consequently on all the future rulers of the society."—§ 215, Idem.

"Reprisals are negative (as opposed to positive) when a state refuses to fulfill a perfect obligation which it has contracted.—Wheaton Lawrence, p. 506.

"The reclamation made on Mexico by England, France, and Spain, in 1861, seemed to pass beyond the ordinary case of reprisals for tortious spoliations and violated contracts."—Idem, p. 509.

OPINION OF MR. FIELD.

David Dudley Field, in an opinion in the Colton case referred to above, says:

"Every nation owes to its members maintenance of their rights; so long as it exacts allegiance and obedience, so long is it bound by the corresponding obligation to protect.

"This results from the relations between the citizens and the state. Commerce in its double signification of intercourse and traffic, may be lawfully carried on between one nation and its members and the other nation and its members. From this arises an obligation on the part of every nation to protect the members of other nations coming to it in their lawful commerce, and to enforce engagements made with them. The obligation of a nation can be enforced only by other nations. This results from the fact that a member of a nation cannot do it, both because he is forbidden and because he is too weak. He is forbidden by his own nation to assert his rights by violence, or to do anything for himself in respect to a foreign nation, except to resort to its tribunals and to ask of its government. Hence arise two obligations, that of Bolivia to Mr. Colton, a foreigner, to pay him the debt contracted, and that of the United States to Mr. Colton, their citizen, to enforce the obligation of Bolivia."

OPINION OF MR. EVARTS.

The present honorable Secretary of State uses language in regard to the case of Colton well worthy of the attention of the committee, not only on account of his distinguished rank as a jurist, but because of his position in the present administration:

"In the absence of any plea of inability to pay this admitted debt of the Republic of Bolivia, made in good faith and accepted as true by our own government, it seems the manifest duty of the latter to compel the payment of the money due Mr. Colton by the ordinary coercive processes known among nations and justified by international law."

President Andrew Jackson, with that high courage guided by a conscientiousness always placing him upon the highest plane of principle and justice, declared the true attitude of this government toward its citizens receiving injuries from foreign nations.

In the matter of French spoliations, he says, in his message to Congress, December, 1834:

"It is a well-settled principle of the international code that where one nation owes another a liquidated debt, which it refuses or neglects to pay, the aggrieved party may seize on the property belonging to the other, its citizens or subjects, sufficient to pay the debt, without giving just cause of war."

Wildman, in his Institutes of International Law, vol. 1, pp. 187 and 188:

"When a state refuses to repair an injury *or to pay a debt*, or to redress any wrong, the state that is injured may seize anything that belongs to the offending state, and detain or confiscate it in satisfaction of such wrong. For this purpose the property of all

private persons forms part of the state whereof they are members, whether as native-born citizens or as persons domiciled therein. * * * As every state considers an injury to any one of its citizens as an injury to itself, it is not unjust that they should be liable for the obligation of the state, which is bound to indemnify them for any losses which may ensue."

In his great work on International Law, volume ii, page 8, Phillimore says:

The right of interference on the part of a state, for the purpose of enforcing the performance of justice to its citizens from a foreign state, stands upon an unquestionable foundation, when the foreign state has become itself the debtor of these citizens. It must of course be assumed that such state has, through the medium of its proper and legitimate organs, contracted such debt; whether that organ be the sovereign alone, according to the constitution of Russia, or the sovereign and parliament, according to the constitution of England, the debt is contracted with foreign citizens, whether in an individual or corporate capacity, constitutes an obligation of which the country of the lenders has a right to require and enforce the fulfillment."

Again, in volume ii, page 12, Phillimore says:

"The obligation of the state debtor is, if possible, yet stronger when the debt has been guaranteed by treaty; for in that case the foreign may be entitled to a preference over the domestic creditor."

Again, in volume iii, page 34, Phillimore says:

"One of the grounds of the war between the United States and Mexico was the non-payment of debts due from the government of that country to citizens of the United States."

As to obligations of governments, Vattel in his Law of Nations, page 161, says:

"We have the right to obtain justice by force, if we cannot obtain it otherwise, or to pursue our rights by force of arms." * * *

In the case of Marbury v. Madison, Chief-Justice Marshall, one of the ablest and purest jurisconsults of any age or country, said:

"The very essence of civil liberty consists in the right of every individual to claim the protection of the laws whenever he receives an injury. One of the first duties of government is to afford that protection. In Great Britain the King himself is sued in the respectful form of a petition, and he never fails to comply with the judgment of his court."

Again, in the case of Ogden v. Saunders, Judge Marshall said:

"It is no objection to the principle that the injured party may be the weaker. * * * Every man retains the right to acquire property, to dispose of that property according to his own judgment, and to pledge himself for a future act.

"These rights are not given by society, but are brought into it. The right of coercion is necessarily surrendered to government, and this surrender imposes on government the correlative duty of furnishing a remedy."

Every attentive reader of history and observer of current events knows that a great advance has been made within the last five years by all civilized nations in the direction of extending protection or furnishing redress toward its citizens wherever they may have been induced to go for the purpose of carrying on commerce or transacting business; that for these reason, armies have been collected and fleets equipped at great expense; that to-day the financial administrations of the Sultan of Turkey and Khedive of Egypt are in the hands of the representatives of certain of the great European powers and being conducted in a manner to afford the greatest benefit to their creditor citizens and the largest security for their claims.

RESOLUTION.

The committee therefore recommend the adoption of the following resolution:

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That the petition of John C. Landreau, the report made thereon by the Committee of Foreign Affairs, and the accompanying papers, be transmitted to the Executive Department, with the request that the President take such steps as in his opinion may be proper, and in accordance with international law, to secure to the said John C. Landreau a final settlement and adjustment of his claim against the Government of Peru; and that, if in his opinion it is proper to do so, the President invite the Government of France to co-operate with the United States in his behalf.

V.—ACTION OF THE HOUSE OF REPRESENTATIVES.

FEBRUARY 21, 1880.

Mr. HILL. The Committee on Foreign Affairs, to whom was referred the petition of John C. Landreau, a naturalized citizen of the United States, for the aid of the Government of the United States in the furtherance of his claim against the Government of Peru, have directed me to submit a report, accompanied by a joint resolution, which I hope may be put on its passage now. It does not involve the expenditure of a sin-

gle dollar, but simply grants in behalf of a citizen of the United States the good offices of the President and Secretary of State in the settlement of a claim against a foreign government. I hope there will be no objection to the passage of this joint resolution.

The joint resolution (H. R., No. 219) was read a first and second time, was ordered to be engrossed for a third reading, was accordingly read the third time, and passed.

MR. HILL moved to reconsider the vote by which the joint resolution was passed; and also moved that the motion to reconsider be laid on the table.

The latter motion was agreed to.—*Congressional Record, February 21st*, 1880, p. 15.

VI.—ACTION OF THE SENATE.

FEBRUARY 24, 1880.

Mr. EATON. I am instructed by the Committee on Foreign Relations, to whom was referred the joint resolution (S. R. No. 14) for the relief of John C. Landreau, to ask to be discharged from the further consideration of this matter. It relates to a contract between a citizen of the United States and the Peruvian Government, and it is the opinion of the committee that it is a matter entirely within the power of the Executive Department.

Mr. VOORHEES. I ask that it be placed on the Calendar with the adverse report.

The VICE-PRESIDENT. The Chair hears no objection to that request, and that order will be entered.—*Congressional Record, February 24*, 1881, p. 38.

VII.—THE GUANO DEPOSITS.

There are no guano deposits of importance in the world, except the Peruvian, and all the Peruvian deposits were discovered and placed at the government disposal by Cochet and Landreau.

The discoveries of Cochet were officially enumerated in the following decree:

Supreme Decree, declaring the Guano Deposits known to the Government, May 7, 1852.

José Rufino Echenique, President of the Republic:

Considering

That it is necessary to exercise the greatest vigilance over the guano deposits, the property of the government, in order to prevent smuggling, or the fraudulent shipping of guano, which forms to-day one of the greatest resources of the government;

That notwithstanding the repeated orders which have been given, that the birds which breed on said islands should not be molested by fishermen, or others, who may come near said islands, and in this manner disobeying said regulations, to the prejudice of these deposits of guano and their preservation;

That the above-mentioned abuses render it indispensable that the government should designate the authorities who should carry out the orders of the government in relation to the guano deposits on said islands;

That the said deposits of guano being at great distance, one from the other, they cannot be placed under the control of one agent, and it appears most natural that they should belong to the districts on the coast to which they are nearest; it is decreed:

ARTICLE 1. The guano deposits belonging to the republic will form part of the districts or provinces as follows:

The Lobos Islands, near the point of same name, situated in 5 degrees 13 minutes south latitude, shall belong to the district of Paita and province of Piura.

The small islands of Lobos de Tierra, and its adjacent deposits, situated in 6 degrees 27 minutes south latitude, shall belong to the district of Lambayeque and province of Lambayeque.

The islands of Lobos de Fuera, situated in 6 degrees 57 minutes south latitude, shall belong to the district of Eten and province of Chiclayo

The Malabrigo Islands, situated in 7 degrees 49 minutes 11 seconds south latitude, shall belong to the district of Paijan and province of Trujillo.

The islands of Santa and the Terror Islands, situated between 9 degrees 11 minutes and 9 degrees 17 minutes 11 seconds south latitude, shall belong to the district of Santa and province of Santa.

The islands of Don Martin de Mazorques and Pelado, situated between 11 degrees 4 minutes and 11 degrees 25 minutes 11 seconds, shall belong to the district of Huacho, province of Chancay.

The islands of Pescadores and Ancon, situated in 11 degrees 46 minutes, shall belong to the district of Carabayllo, province of Lima.

The island of Hormigas, situated in 11 degrees 56 minutes, shall belong to the province of Callao.

The three Chincha Islands, situated in 13 degrees 32 minutes 11 seconds south latitude, shall form a separate district, and will be under a governor to be appointed.

ARTICLE 2. For the care and custody of the above islands there shall be employed a sufficient number of guards, to be changed for others as may be deemed necessary.

ARTICLE 3. On the principal and best situated of these islands there shall be constructed houses, which are comfortable, for the guards to live in, and there shall be also stationary boats or launches which may be necessary to keep up a communication between these islands and the coast.

ARTICLE 4. A vessel of war shall be employed specially to cruise between said guano islands, and make periodical visits, carrying monthly provisions and water sufficient to furnish all the guards who may reside thereon.

ARTICLE 5. The prefects and governors of said provinces are charged with the execution of the said regulations, and the strict observance of them by those concerned, and shall render a careful account of what may happen at the islands under their charge, and cause to be observed all of the foregoing resolutions given in reference to said islands.

Communicate and publish.

Lima, May 7th, 1852.

JOSÉ RUFINO ECHENIQUE.

The discoveries of Landreau are next enumerated:

List and geographical description of the guano deposits discovered and made known by M. Théophile Landreau, in the years 1856 *and* 1859, *which were enumerated in his petition to the supreme government on the third day of November,* 1865, *and are contained in the lists that, since* 1866, *have been deposited at the legations of France, England, and the United States of America.*

DEPOSITS TO THE NORTH OF LIMA.

1. A point called Los Chinos, in 9 degrees 13 minutes south latitude. In this place there exists a deposit of some magnitude.
2. The port of Bay Samaco, in 9 degrees 15 minutes south latitude. A short distance to the south, and in front of the open coast, there is a space of ground more than 500 yards long by more than 100 yards broad covered with guano.
3. The small Bay of Chimbote, in 9 degrees 6 minutes south latitude. A large deposit of guano, principally on the same site occupied by the huts of the fishermen.
4. In the plain which extends between Nepeña and Santa there is a space of more than a league in length, La Cruz del Medio, where guano is found.
5. The islands of Cornegos, in 9 degrees 53 minutes south latitude.
6. The islands of Viuda, in 9 degrees 23 minutes south latitude.
7. The islands of Tortuga, in 9 degrees 21 minutes south latitude.
8. The islands of Coesco, in 9 degrees 14 minutes south latitude.
9. The islands of Blanca, in 9 degrees 5 minutes south latitude.
10. The islands of Corcobado, in 8 degrees 57 minutes south latitude.
11. The islands of La Viuda, in 8 degrees 54 minutes south latitude.
12. The islands of Decheo and cape of the same name, in 8 degrees 46 minutes south latitute.
13. Between the fortress of Pativilca and the port of Huarmey, and between Huancha and Callao, are a few deposits of guano of inferior quality, which do not deserve attention.

DEPOSITS TO THE SOUTH OF LIMA.

14. The little island of Asaia, in 12 degrees 48 minutes south latitude.
15. The islands Blanca and Ballestas, in 13 degrees 44 minutes south latitude.
16. The islands San Gayan, in 13 degrees 50 minutes south latitude.
17. The islands of Zaráte, in 13 degrees 59 minutes south latitude.
18. Morros de Carretas, in 14 degrees 10 minutes south latitude.
19. Island and Morras de Viejas, 14 degrees 16 minutes south latitude.
20. Small island and bay of San Nicolás, 15 degrees 15 minutes south latitude.
21. Port of Lomas, in 15 degrees 32 minutes south latitude.
22. Puntas de Lobos, in 16 degrees 9 minutes south latitude.
23. Point and small island of Atico, in 16 degrees 4 minutes south latitude.
24. Point and small island of Pescadores, 16 degrees 24 minutes south latitude.
25. Islands and coast of Acoña, in 16 degrees 30 minutes south latitude.
26. On all the coasts from the point of Cornejos to Islay there are small quantities of guano at short intervals, the same as from the point of Mejia to the coast of Cocotea.
27. From the point called Capilla to the Cabo de Lobos inclusive; guano is found likewise in the neighborhood of the brook de Camarones toward 19 degrees 13 minutes south latitude.

28. In Pisagua, a small bay to the north of Inique, there is a deposit of guano, with sand in some parts, but in sufficient abundance.

29. At the point and island of Mejillones, situated in 19 degrees 51 minutes south latitude, there is also guano in considerable quantity.

30. The islands of Colume, Pajaros, and others to the south of Iquique contain small quantities of white guano, which might serve as a manure for the agriculture of the country.

31. At the plain called Cochapampa, situated at the foot of the town of Iquique, and which extends from the sea to the brook of Huancata, and the hill Parada, extending toward Huan-Tajaya, are various places where great deposits of guano are found mingled with carbonates, nitrates, and chlorides of soda and potash.

32. From the cañon of Chursmara, or Chuquniata, up to Punta-Gruesa inclusive, many ravines full of excellent guano are found; among others we may cite those of Lobo Culata, Sacramento, Aminas, Morello, Guajes, Colorado, etc.—ravines that are 500 or 600 yards long by 100 or 150 yards wide. All these deposits are covered by a crust and thick coating of sand.

33. Between the coves of Chucumata, in 20 degrees 31 minutes south latitude, and the Pabellon de Pica, known to the state, exist large deposits of guano, especially on a kind of low peninsula situated in 20 degrees 56 minutes, more or less, south latitude, on the slope of which is found an eminence which is all guano.

34. From the ravine of Pico to the point Chomoche inclusive, are found more than 30 ravines and deep breaks of 400 or 600 yards in length each, by 150 yards in breadth and 20 or 30 yards in depth, all pure guano of the best quality.

AMOUNT OF GUANO IN THE LANDREAU DISCOVERIES.

The La Patria of October 20th, 1874, says that the guano exported to Europe from the island of Ballestas up to that date was 76,771 tons, taken by 57 ships.

According to the report of the Junta Central of Engineers, a copy of which has been distributed by the Peruvian Government, 137,500 tons of guano had been exported from the beds at Chananaga (No. 33 of Landreau's list).

It is a well-known fact that at this date there are over 20 ships loading at the Vieja Islands. This island, No. 19 of Landreau's list, contains upward of 400,000 tons of guano.

According to the Nacional of June 1st, 1875, it appears that the Government of Peru had opened to the agriculture of the country the following guano beds:

1. All those to the south of Arequipa (except Pabellon de la Pica, which belonged to the government), comprised under Nos. 27 and 25 in Landreau's list, containing upward of 800,000 tons of guano.

2. One of the small islands situated to the north of Huarmey, No. 5 of Landreau's list, containing about 10,000 tons.

3. Two of the deposits in the vicinity of Port Lomas, containing at least 20,000 tons each, and marked Nos. 21, 22 and 7 in Landreau's list.

4. One of each of the deposits of Mala and Asaia, numbered respectively 14 and 4, containing no less than 800,000 tons.

VIII.—PERUVIAN TACTICS.

A summary outline of Landreau's negotiations with the faithless executive of a faithless people, prior to the execution of the contract which was only held out as a bait to conceal the hook which should be his ruin, will throw valuable light upon the future as well as upon the past.

For nearly twelve years this patient scientist pursued his explorations, braving dangers and innumerable privations, till his labors were crowned with a large success, and he not only discovered but surveyed and located a large number of valuable guano deposits of vast extent hitherto wholly unknown, probably from the fact that they existed in regions previously deemed inaccessible, and thus without the pale of civilization.

At once upon his return in 1856, he informed the government of his discoveries, and upon the 29th of July in that year presented himself in person at the treasury and filed a written declaration to that effect.

On the 30th of December, 1859, after a prolonged absence, he renewed his application and filed a petition which was admitted January 5th, 1860.

"*To the Minister of Finance:*

"YOUR EXCELLENCY: Jean Théophile Landreau, a native of France and a resident of this city, with due respect presents himself before your excellency, and states that he has discovered certain guano deposits on the coast of Peru, and is ready to point out the locations and bring samples of the guano immediately the government informs him

what his recompense will be, soliciting at the same time a list of the deposits known to the government up to this date.

"J. T. LANDREAU.

"LIMA, *December 30th*, 1859."

The minister of finance indorsed the petition as follows: "Let the director-general of finance report."

The report of the director-general of finance, to whom the petition was thus referred, states the necessity of proving that the deposits of guano mentioned in the petition were *bona fide* new discoveries.

It is further stated in the report that the government was aware that the coast district of Peru abounded in deposits of guano, and that all belonged to the state; but in case Landreau's petition referred to deposits that were new, then it would be but fair to agree to his receiving a share as the discoverer.

The petition was next sent to the attorney-general, who reported as follows:

"The attorney-general is of the same opinion as the director-general of finance, as to the fact of verifying whether the deposits of guano declared by Jean Théophile Landreau have or not been known up to this day; it is therefore necessary to make such a search, and in consequence this office is of the opinion that if, after having made the verification by means of the certificates and reports of the state department, it should happen that the said deposits are unknown, your excellency will then be able to accept the declarations of Landreau, and notify him, as a reward, of the allowance of a third part of the guano discovered, conformably to the 6th paragraph of the decision of the council of state of February 13th, 1833, vol. iv. of the collection of laws by Quiroz, and which besides is the general law applicable to this matter. Your excellency can therefore order a suitable verification to be made, and decide, according to the contents of this report, or as your excellency will deem advisable.

"VILLARAN.

"LIMA, *January 18th*, 1860."

Finally the petition was returned by the department of national credit upon the 25th of February, 1860, when Landreau's request for a list of the deposits known to the government was declined upon the plea that such a list did not exist in that office; but the demand being firmly persisted in, a list was opportunely discovered, and in November, 1862, the government published a list of all the known deposits of guano at that date.

Landreau having learned that other persons were claiming his discoveries, renewed his application on the 2d of December, 1862, and demanded a copy of his former petition to the government.

On the 20th of December, 1862, the government furnished a further list of guano deposits then known to exist, and Landreau then drew the attention of the government to the fact that the deposits discovered by him were not mentioned in either of these government lists, and that he was therefore clearly entitled to the one-third share promised to original discoverers.

On the 24th of May, 1864, Landreau, hearing that his original petition and other documents relating to it were lost, obtained a certified copy from the French legation, and handed it to the government, with a view of having all subsequent judgments and reports appended to it.

Among the documents thus handed in there appeared a list of the deposits known to the government, and Landreau again drew the attention of the government to the fact that the deposits discovered by him were not mentioned in the government list. And convinced that his case was good in law, and supported by the opinion of the attorney-general and other authorities, he hesitated no longer in indicating the exact position of his newly discovered deposits, and requested the government to have them surveyed and his claim estimated.

At length on the 24th of October, 1865, his claim was in effect accepted by the government, and confirmed by a decree granting him a recompense upon the following terms:

Upon the first million tons of guano, 10 per cent.; upon the second million, 8 per cent.; upon the third million, 6 per cent.; upon the fourth million, 4 per cent.; upon the fifth million, 2 per cent.

It was understood that the remuneration offered to Landreau should not extend beyond the above terms.

The terms and conditions mentioned in the last section were accepted by Landreau, and in consequence a contract was drawn up between the Peruvian Government and Landreau, and signed in the presence of Notary Claudius José Suaroz, of Lima.

Upon the following day the sealed envelope containing the lists of deposits discov-

ered by Landreau (which had been given to the ministry December 30th, 1859) was opened by the minister of finance, who retained possession of it by virtue of the clause in the contract to that effect.

IX.—PERUVIAN REPUDIATION.

Shortly after the signing of this contract the revolution of Pardo took place, followed by a series of political convulsions, which caused this question to remain in *statu quo*, until Jos. Balta became president of the republic.

At this time the treasury being exhausted and the government in great financial straits, it was found necessary to devise some means to meet the approaching obligations and relieve the financial pressure.

At this juncture President Balta sent for Landreau and informed him that during the revolution the list of newly discovered deposits had been lost, and requested him to furnish it another copy, frankly explaining that he relied upon these deposits to save the credit of the republic, and to tide over the financial trouble; the press of England complaining that the deposits of guano in Peru were exhausted, and demanding new security for present and prospective bondholders. The times were critical, and President Balta promised to pay Landreau not only the terms stipulated in the signed contract but offered to add the rate of 60 per cent. upon all deposits in excess of five millions of tons.

This promise was solemnly made in the presence of Messrs. Garcia Calderon, Pedro Galvez, and La Rosa, the ministers of finance, state, and justice.

Upon the day following—that is, upon December 9th, 1868—confiding in this solemn executive assurance, Landreau handed to the minister of finance a new copy of the list.

How much a Peruvian pledge is worth the confiding foreigner better knew when, just three days later, Balta and Calderon published a fresh decree accepting the new discoveries and annulling the discoverer's contract.

The decree of annulment was published on the 31st December, 1868, in the official gazette, El Peruano. This decree bore date December 12th, 1868, and included a list of the deposits discovered by Landreau, in which the fact that he was the discoverer was expressly recognized.

Further action was taken on the 2d of January, 1869, when the minister of finance named the commission to survey Landreau's deposits and to take possession.

Before the commission could effect its object, however, Mr. Calderon retired from the ministry of finance and was replaced by Mr. Pierola, who not only repudiated the contract of 1865, but also the supreme decree, and stopped the commission from setting out. Finally he opened for exportation the islands of Ballestas, they being No. 15 in Landreau's list, and sent to England, France, and Germany copies of the Peruano, dated 31st of December, 1868, containing the decree of the 12th of the same month, and the list of deposits discovered by Landreau.

This decree and list was reproduced in the London Times and other important journals in Europe, and produced the desired effect of resuscitating the credit of the Peruvian Government and disposing European capitalists to entertain the financial projects about to be submitted to them.

It further appears that later, according to the El Comercio of the 3d of December, 1873, the list of Landreau's deposits was again, by order of the government of Mr. Pardo, reprinted in the London Times of October 25th, 1873, when increased improvement in the Peruvian bonds was manifested.

The decree of repudiation contained an intimation that a new contract might be made with Landreau after a resurvey of his discoveries, and in the journal El Nacional of December 12th, 1873, we find that upon the 5th of that month the government issued a decree ordering a commission of engineers to examine the islands and coast of Peru, to measure and value such deposits of guano as they might find.

This commission set forth without Landreau, and that fact coming to the knowledge of Count de Bellonet, the French representative, he called upon a member of the government and verbally demanded an explanation.

He was answered by M. Riveaguero, minister of foreign relations, that the government had not considered it necessary that Landreau should accompany the commission, because it was believed that the deposits in question were of little value. He added, however, that if the commission should find that they were of any considerable value Landreau would be largely recompensed.

A SUGGESTIVE OFFER.

The next output of this model executive was a published offer of *a premium of five per cent. to any adventurer who would establish a claim adverse to Landreau's.*

Upon the sole credit of these new deposits, which, but for the twelve years' toil and large expense of the Landreau brothers would still be unknown, the Peruvians not

only escaped imminent bankruptcy, but even obtained fresh loans aggregating not less than $200,000,000. These loans were based upon official surveys of European engineers, who reported the deposits to contain at least 10,000,000 tons of guano, worth at least $380,000,000. Landreau's one-third—for the repudiation of the special contract restored to him his original right to one-third—is worth, upon this basis, not less than $125,000,000.

X.—PERUVIAN LOGIC.

Three years after the opinion of Attorney-General Villaran, recognizing as a matter of course Landreau's right to the statutory one-third of his discoveries, his successor in office deems it opportune to enter upon an original disquisition, which should not be left in relative obscurity. But we have only room for abstracts and extracts. This eminent logician recites that:

"Landreau, having asked what recompense would reward his discoveries, was answered by Dr. Villaran on the 18th of January, 1860, that, according to his opinion, he was entitled to one-third part of the value of the property discovered, this being the general practice and in accordance with the 6th paragraph of the vote of the council of state, February 13th, 1833; but it must be borne in mind that said premium is only meant for those who should discover national property which is *unlawfully possessed*, for as soon as it becomes the domain of private right, there is a possibility of having to run the risk of seeing said usurpation legitimized by a transfer to a second person, who, receiving it in good faith, might, after a certain number of years, consider it as prescribed property. Furthermore, the risk run by the nation of losing said property is only too evident should it not be discovered in due time, and in consequence the necessity of stimulating discoverers with a heavy premium. Again, such property as deposits of guano is not exposed to individual appropriation, for it is held as national property, though it be unknown for years, and this fact destroys the cause for the allowance of the one-third in question; besides which there is no reason for holding out a premium whereby the nation loses a great share of its own property, the integrity of which is preserved under all circumstances, while the use of the same is not imperative at present, for the sale of guano is limited to the demands of the *home consumption*, and for this reason there are as yet deposits that have not been worked.

"If by the above reasons we come to the conclusion that the one-third premium cannot be applied in such an absolute manner, it cannot, however, be denied that a just recompense is due to the person who discovers property the intrinsic value of which swells the wealth of the nation. Among the legal principles that might with less impropriety be cited to cover the present case, though not pointing to an exact analogy, is the article 520 of the Civil Code, whereby the premium of 15 per cent. is allotted to any person who finds property not his own in case of jettison or shipwreck. In this there is no usurpation. A true owner exists, and yet there is a discovery, although the cause that led to the placing of the property on the beach is different to that of placing the unknown deposits said to have been discovered by Landreau.

"Now, then, if notwithstanding the possibility of private appropriation in the case of jettison or shipwreck, the premium does not exceed 15 per cent., how much less it must be when the risk of such malappropriation does not exist."

The attorney-general concludes: "That the third part cannot be granted to Landreau, nor even 15 per cent., and the only manner of bringing the point at issue to a conclusion is to come to a private understanding with Landreau, who, convinced by the above reasons, will no doubt enter into a prudent arrangement which will always prove beneficial to him if the discovery is of the magnitude he describes, and for the preservation of which he has used neither efforts nor capital.

"It is necessary to say that this affair, the importance of which will gradually develop itself, may give rise to questions of grave character, especially as to settling whether the deposits had been previously known or not, and that it is convenient to establish beforehand general rules in order to avert complications in the future." These rules, according to the attorney-general, are:

"1. That although Landreau's deposits are not enumerated in this report, they will be counted as known if it can be proved that the guano has been used for agricultural purposes, or that they have been known by any of the local or general authorities.

"2. That any question arising out of Landreau's responsibilities as the discoverer, or the State as owner, will be ventilated before the tribunals of the republic, and in accordance with the civil laws of the land, no other intervention being allowed.

"URETA.

"LIMA, 31*st October*, 1863."

SUPREME DECREE.

"LIMA, *October* 24, 1865.

"This petition, having been examined by the council of ministers; and taking into consideration that the deposits of guano to be found in the different localities of the

territory of the republic, constitute the principal part of the national wealth, and that the discovery of new beds will enhance the same as well as the financial credit of the nation; that Jean Théophile Landreau, represented to-day by Thomas Carlos Wright, says that there are deposits of guano entirely unknown, and offers to make the same known to the government, demanding for this service a proportionate recompense; that it is strictly just to accede to said recompense in case the deposits are altogether new, in accordance with the unanimous vote of the council, and with the report of the attorney-general of the supreme court. The petition of the said Landreau is GRANTED under the following conditions:

"1st. Landreau, immediately after accepting this decree, and a public contract of the same having been drawn up, will designate the deposits of which he calls himself discoverer, said designation being made with the greatest possible minuteness, it being well understood that no deposits known up to date shall be named in the same.

"2d. The premium accorded to the discoverer is 10 per cent. on the net proceeds of the guano discovered if the number of tons is one million or less; 8 per cent. on the tons exceeding one million and not reaching two millions; 6 per cent. on the tons exceeding two millions and not reaching three millions; 4 per cent. on the excess of three millions and not reaching four; and 2 per cent. on the excess of four millions of tons and not reaching five; it being well understood that for any number of tons above five millions there will be no recompense, the excess belonging exclusively to the nation.

"3d. Neither Landreau nor any other person or persons representing him, shall ever agitate any question growing out of the concession established in this decree before any other authorities or tribunals than those of the republic, and in accordance with the laws of the same, renouncing expressly all diplomatic intervention; it being an expressed condition that should he ever employ such means that sole fact will destroy the effect of this resolution, and he will be unable to claim any premium whatsoever.

"4th. The discoverer or his attorneys are forbidden, directly or indirectly, to interfere in the contracts of sale or any other contract that the government may be pleased to make regarding the guanos of the new deposits, for his right will be limited to asking the share which, according to the percentage already mentioned, may fall to him.

"5th. The government will begin operations on the new guano deposits as soon as it will deem it convenient, the discoverer or his attorneys not having the option to demand when a start shall be made.

"6th. This concession will be void in case the government or any authority can plainly prove that they had official or private report of the deposits said to have been discovered by Landreau."

CONTRACT.

"LIMA, *28th October*, 1865.

"The administrator signing at the foot in the name and as the representative of the state, making use of the authority vested in him for this purpose, affirms by these presents that this concession guarantees Jean Théophile Landreau the terms named in the six conditions mentioned in the supreme decree of 24th of October, A. D. 1865, which said statement forms the true essence of this instrument, against which at no future time can there be any reclamation in any manner whatsoever, unless the grantee or his attorney should not either wholly or in part comply with the supreme resolution approving the discovery made of the guano belonging to the nation; and if such be the case the compliance with the stipulations of the sixth article of the supreme resolution aforesaid will be faithfully carried out; and if Landreau or his attorneys do faithfully fulfill every act demanded of him, the same faithfulness will be used toward him in carrying out the six principal conditions forming the basis of this contract.

"JOSÉ FELIX GARCIA.
"THOMAS CARLOS WRIGHT.

"Witnesses:
"ESTANISLAO ENRIQUEZ.
"MANUEL ANTONIO LA TORRE.
"JOSÉ DE LA FUENTE.
"Notary:
"CLAUDIO JOSÉ SUAREZ."

DECREE OF REPUDIATION.

"MINISTRY OF COMMERCE AND FINANCE,
"LIMA, *December* 12, 1868.

"In virtue of the demand made by Jean Théophile Landreau, claiming his right arising out of the contract entered into between him and the government, and the full fillment of said contracts, he making known to the Government of Peru the names of

the different places where the deposits of guano are situated, and putting them all at their disposal; the government taking into consideration that the said contract can never be accepted, on account of several defects which render it null; that the premium stipulated to be accorded to him is of such a great amount that it can never be given by the government: that it is convenient to examine the guano deposits discovered, so as to see if the same be of good quality and of any advantage to the national interests. In virtue of these reasons it is hereby declared that the contract signed between the government and Landreau, 2d November, A. D. 1865, is *null and void, whilst the discovering of the deposits and the information of the same made by him are accepted;* and it is hereby decreed that as a basis for a new contract said new guano deposits shall be examined by a special commission appointed for that purpose.

"This commission is to proceed, in company of the discoverer, Mr. Landreau, to the different places indicated by him, and to measure the deposits of guano referred to in his declaration, taking from each a sample in order to have the necessary analysis made in view of testing the quality and value of the same.

"Let Landreau be made acquainted with this resolution, that he may name the recompense he asks for in the aforesaid declaration.

"BALTA.
"CALBERON."

XI.—COCHET AGAIN.

The original benefactor of these graceless people, as we have already seen, never litigated his claim.

The history of Landreau's patient meekness shows how much wiser was Cochet than his disciple, and the present proprietors of Cochet's claim will waste neither time nor money in diplomatic parley.

It suffices the present purpose to conclude the proofs of Cochet's title and its due assignment, and to indicate the immediate executive measures resolved upon.

As we have already seen, this model government, first despising the chemist's offered revelations, gave to his friend and that friend's partner a six years' concession for a song, and in spite of Cochet's warning extended it three years more; then suddenly observing that Europe was really buying guano, and that Allier and Quiroz were making scores of millions, as suddenly set matters right by repudiating the concession altogether, and when pushed, compromising it by a bonus of 10,000 tons for a release of Allier's claims. And in this connection, the better to justify their violence to Allier, they plead, and so admit and forever estop themselves from afterward denying, that Cochet was the true and sole original discoverer.

The following extract is a literal translation from the pamphlet and congressional report of Peru on the Cochet claim in 1851:

"Under the conviction of all these truths, based on positive facts and on veridical documents, *the congress of* 1847 *declared Cochet to be the true discoverer and utilizer of guano*; and the commission encharged to understand in the reclamations of Allier, deciding in favor of the pretensions of this gentleman, affirm that not as the discoverer the premium awarded him is given, because this premium belongs to Cochet, to whom it ought to be assigned. (See the Correo Peruano, Nos. 921, 925, and the Comercio, No. 2552 Sessions of 22d to 28th December. Speeches of Messrs. Roman, Gonzales, and Polar, members of the commission.)

"Finally, on September 30, 1849, the commission of premiums declared Cochet a creditor for that of five thousand tons of guano for his *expenses*. This man, according to what has been shown, has well gained and well merited the premium which has been assigned him, and which should have been delivered to him long ago."

And no attempt to recall this irrevocable admission has ever been made.

The text of the original decree of 1833 is next given, and following the text of subsequent decrees amplifying and confirming the original. None of these have ever been repealed.

In volume 4, in the compilation of Quiroz, page 266, will be found the following, to wit (paragraph 6 of the council of state):

"LIMA, PERU, *February* 13, 1833.

"The council of state is of the opinion that the executive be made acquainted with the following:

"That any one, after the publication of these presents, who shall have discovered property belonging to any suppressed convents, or other property belonging to the state, shall have a right to a third part of said property."

In volume 3, law 6th, book 10, title 22d of the new Spanish compilation, still in force, will be found the following, to wit:

"ARTICLE 7. The case being terminated, the tribunals declare, by a sentence, that all proclaimed property will be applied to the construction and preservation of roads,

and it will be distributed as follows: Two-thirds will be applied to the above-mentioned end and the remaining third to the discoverer. The same application will be made with unknown property, and if the thing discovered is less than six thousand maravedis the expenses will be deducted, and the balance will be divided in three parts as mentioned. Then the property will be sold at auction. As to vacant or doubtful property, the same procedure will be followed."

SUPREME DECREE OF 1847.

"Agreeably to the papers and the report of the superior tribunal of accounts, and also that of the attorney general of the supreme court, and considering that according to information received by the government it is probable that there is much municipal and government property which produces nothing, because the state officers lack information and necessary knowledge on that subject:

"It is hereby declared that the revenue officers seek and discover said property, in order to form the matriculation books; for those discoveries being considered as declarations, the said functionaries or any one else will be allowed one-third of the capital discovered and interests not discharged, according to the 6th law, title 22d, book 10 of the new compilation, and decree of February 13, 1833. Let this be circulated and published.

"RIO,
"*Minister of the Interior.*"

Rubric of his excellency.
(See El Peruano, April 21, 1847.)

Peruvian laws regarding contracts.—No. 2.—Law upon contracts.

"Citizen Ramon Castilla, constitutional President of the republic, considering that Congress has passed the following law:

"The Congress of the Peruvian Republic, considering:

"1st. That public credit is the true wealth of the country, and that without it nations as wealthy as they may be cannot exist.

"2d. That in consequence of the continuous revolutions which have agitated the country, it becomes daily more difficult to settle satisfactorily the public debt, has passed the following law:

"1st. The executive will faithfully fulfill in all their parts the contracts made with parties, whether they be national citizens or foreigners, whatever may be the time and government under which they have been made.

"2d. In regard to payment, preference will be given to those claims made under constitutional authority, then continuing with those ordered by *de facto* governments, but in both cases *in the priority established by their date* of issue.

"Let this be made known to the executive, so that they may do what is necessary for its accomplishment by having it printed, published, and circulated.

"Done at Lima, October 21st, 1845.

"MANUEL SALAZAR,
"*President of the Senate.*
"MANUEL CUADROS,
"*President Chamber of Deputies.*
"TADEO CHAVEZ,
"*Senator, Secretary.*
"A. AVELINO CUETO,
"*Member, Secretary.*

"Whereby I order this to be printed and communicated to whom it may concern:
(Signed) "RAMON CASTILLA.
"JOSÉ PAZ SOLDAN.

"LIMA, June 18th, 1846."*

XII.—THE NITRATE BEDS.

These lie close to the extreme southern limit of Peru upon the borders of Bolivia, and the veins extend across the borders into Bolivia. They constitute substantially the sole resources of the world of their kind, and are practically inexhaustible, having the exceptional characteristic of *self-renewal* wherever locally exhausted, every three or four years.

The deposits on the Bolivian side of the boundary line are considerable, but relatively unimportant in comparison with those upon the Peruvian side, the latter covering an area of not less than 100 miles by 400, say 40,000 square miles in all.

* See El Peruano, June 20th, 1846, No. 52.

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their disposal; the government taking into consideration that the said contr
never be accepted, on account of several defects which render it null; that th
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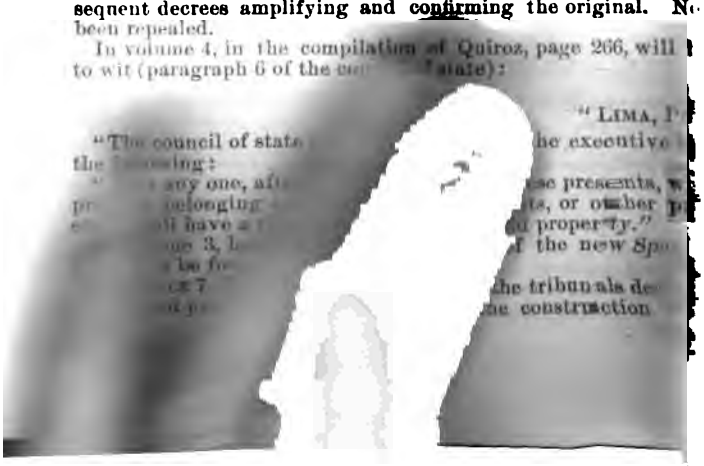
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These vast deposits have never been efficiently developed, having been worked only by stray foreign "squatters," until a short time before the unhappy war now closing, when President Pardo, on behalf of the government, bought out the "squatters'" claims, and took charge of the public domain in government behalf, and had but just inaugurated the new management when the war intervened and substantially stayed all manufacture.

The victorious Chilians now propose to annex to Chili the entire territory both in Bolivia and Peru where niter is found.

The annual product of the Peruvian beds has been heretofore something like $25,000,000 worth; this volume under proper administration would be easily doubled, if the demand should warrant such increase. The capitalized valuation of the Peruvian beds is estimated by well-informed merchants at not less than $2,000,000,000.

XIII.—SILVER, GOLD, AND COPPER.

If Peruvian credit has not been of the best hitherto, it has not been the fault of a generous providence. The country, whose true history has read more like the dreams of romancers than like the sober record of actual life, was never richer than she is to-day. A financial policy which has consisted chiefly of promises to foreign lenders and indulgence to domestic peculators, has gone naturally in company with an administrative policy which aimed above all else at the avoidance of native industry and even of native exploration. The undeveloped mineral resources of Peru in the hands of such men as are now opening up Mexico, would revive what was seen in the days of the Incas. A recent writer says:

"Between 1869 and 1870 some natives of Calama, in company with three Chilians, discovered the famous mines at Caracoles (in Bolivia). The exploration of about 150 square miles disclosed 40,000 veins, and the production is valued at $50,000,000. A small fraction of the working mines reported between 1870 and 1874 a production of $24,000,000 and a net profit of $20,000,000. In 1876–'7 the same party discovered silver deposits equally rich at Inca, only 30 miles from Calama, and work was just commencing in them when Chili took possession of the place. Copper mines are so abundant in that region that they attract little attention, and only a few near the sea are worked. On the coast of Peru, near the niter beds, silver and copper mines are no less abundant, and those of Huantuyaya in Iquique have been celebrated since the last century.

"Gold is also found in great abundance, and particularly on the banks of the River Loa."

XIV.—HISTORICAL AND GENERAL SUMMARY.

1. The special wealth of modern Peru has been her nitrate and her guano.

2. For the practical discovery of these—the discovery of their commercial value—Peru is indebted solely in the first instance to Alexandre Cochet, and this indebtedness as to guano she has published to the world.

3. Under statutes existing at least seven years before his discovery of guano, Cochet became entitled absolutely to one-third of all guano deposits within Peru.

4. If Cochet be not entitled to one-third of the deposits afterward pointed out by Landreau, then unquestionably Landreau is entitled to it.

5. Peru has acknowledged her indebtedness to Landreau also, under circumstances and in terms most extraordinary, and no question remains for discussion or revision as to what is due *from Peru*—whether to Cochet or to Landreau.

6. The decree concerning the public credit (*ante*, p. 45) fixes the indebtedness to Cochet as one entitled to payment in full before any claim of later date has even payment in part.

7. This decree having been published in 1845 was notice to the world, and all creditors of a later date are bound by it.

8. The claims of Chili give least concern of all, resting on force alone, and not on equity. Besides she has Bolivia, her original antagonist in the struggle, to satisfy herself upon, and cannot be allowed to make an ally a principal victim to the prejudice of equitable commercial creditors with older claims.

9. No attempt has ever been made by Peru to deny her indebtedness to either Cochet or Landreau. The very decree of repudiation reaffirmed the obligation, and all the courts refused to pronounce against the plaintiff.

10. Not a single dollar has ever been paid to either Cochet or Landreau, or to any heir or assign of either.

11. The legal representatives of Cochet have an unquestionable title now to so much of Peru as when converted into money will satify the debt, with interest and all costs of liquidation and collection, and it is for them alone to elect what property they shall take and how they shall convert it.

12. The representatives of Landreau have a like right to payment after the prior debt shall have been first extinguished.

13. The Chilians must take Peru, like any other estate, subject to all existing indebtedness, and must wait the satisfaction of such indebtedness first. The law of nations is well settled, and cannot be successfully questioned.

14. This claim is perhaps the largest of its kind in the history of the world, and all governments will unite in demanding its proper adjustment as an important precedent.

15. The present proprietors acquired title directly from Cochet, and being all native citizens of the United States will vest the title in the Peruvian Company, a corporation already organized under the laws of one of the United States to receive such title and to collect the claim.

XV.—CONCLUSION.

1. The amount of guano already taken out of the Cochet islands—including the Chinchas—will be shown by the Peruvian custom-house records, and will aggregate, it is said, not far from $1,200,000,000 worth. The discoverer's one-third of this would be $400,000,000, and interest upon this amount at six per cent—say for an equalized average of twenty years—would be $480,000,000 more. The amount remaining in these islands is not positively known, and is probably not more than $200,000,000 worth: and in the Landreau deposits, say $350,000,000 more. The Chilian plenipotentiary has recently announced that his government are about opening very rich deposits on the Lobos Islands—which are included in this group.

It is probably within safe limits to say that, including interest to accrue before the claim can be fully liquidated, its owners will realize not less than $1,200,000,000.

2. Can Peru pay so much without exhaustion?

Easily—and not even suffer. She has chiefly squandered her resources heretofore, and will go on to squander them as long as she manages them.

Squatters have taken substantially all that has been taken from the great niter beds hitherto, and the government's only interference was to pay them upward of $20,000,000 cash for their improvements. The first guano contract, as we have seen, brought the government say, $75,000, and the contractors at least $100,000,000. The $200,000,000 borrowed in Europe went into railroads on terms which left Contractor Meigs $60,000,000 profit, after providing for the army of favorites; and the entire system of roads thus built was then turned over to a French syndicate for a mere song. The £21,000,000 advanced a year ago by the house of Dreyfus was dissipated like snow in April, and was in fact but the bonus which that thrifty firm could well afford to pay for a continuance of its guano contracts. And now, finally, Peru lies at the feet of Chili, and Chili proposes to take all the niter and all the guano.

3. It is not necessary, nor is it proposed, to use any severity in the collection of this claim, nor to impose any hardship upon the debtor country. Neither is it necessary to use any measures such as would result in individual taxation, or such as, in Europe or the United States would necessarily put a pressure upon the masses of the people.

Chili, by mere force of arms proposes to take $3,000,000,000 worth of property to indemnify herself for a war outlay liberally allowed at $100,000,000; and the code of nations requires no neighboring government to prevent her. But commercial creditors have prior rights, and the governments of which those creditors are citizens will fully protect them. The comparatively small claims of the citizens of England, France, Germany, and Italy have already been duly notified and allowed for, and the larger right of the subjects of a not less vigilant government must receive equal consideration.

4. The policy which may be finally adopted by the executive of the Peruvian Company need not be foreshadowed here. It is sufficient for the purposes of the present writing to point out the material facts as they exist, and to leave them with the remark that not the slightest difficulty in shaping a practical policy need be experienced.

The proprietors of this claim will easily enough command any grade of executive and diplomatic talent, and they have no idea of intrusting its management to any grade below the first.

5. Nothing involved with this claim need require any interference in the debatable merits of the war now closing; and the sole interest of this company being commercial, its good offices as a practical mediator may even prove of exceptional value to all governments concerned. Chili's original quarrel is with Bolivia; Peru only came in later to support her nearest neighbor. The niter beds and silver mines of Bolivia are alone sufficient to satisfy all reasonable claims which any code of war recognized by civilized peoples could allow; Chili will not be forbidden any legitimate fruits of her success by this intervention of commercial creditors; on the contrary she will greatly better her standing in the family of nations by moderating her views within

reasonable limits. The peoples of the leading governments value generosity above force now, and the people of the United States in especial have recently shown a magnanimity which they will be glad to see imitated by a sister republic.

6. Undoubtedly the Peruvian Company must in the interest of all the creditors of Peru, even if the extraordinary claims of her conqueror should remain unchallenged, and in the interest of Peru herself, take the initiative in the adjustment of her commercial affairs. Peru herself is for the moment in both financial and political insolvency. Not even her flushed conquerors propose to destroy, but only to humble her. Her creditors much less could willingly injure her; but they are bound to protect themselves, and to do so effectually. Leaving to the three governments all political problems, the Peruvian Company will content itself with problems of finance, and will investigate these as one creditor only among others, and will neither ask nor accept any other advantage than such as a mere matter of mathematics and of equity is inseparable from its circumstances. Every minor creditor shall, upon the proper proof of his right, have as effectual protection, so far as the Peruvian Company can afford it, as though he were one of its own shareholders. And toward the unhappy debtor herself a policy will be observed which will convince her people that since Cochet himself, her greatest benefactor, she has never had a friend so true and so helpful as the successor to his rights, the Peruvian Company, which, standing between an excited enemy on the one hand and an ineffective administration of her great wealth on the other, shall pay all her debts for her, without the waste of a single dollar or the loss of a right that ought to be preserved.

The foregoing statement has been prepared primarily for the information of a select number of representative American capitalists, to whom the first issue of stock will be limited, for the sole purpose of securing an organization and executive worthy of the enterprise. A few copies will also be placed in the hands of representatives of the governments interested, as an advance courtesy and an assurance of the purely judicial attitude which the Peruvian Company and its owners will maintain toward all other interests which might, by ill judgment, be brought into collision with ours. Nothing herein is intended for publication or for the public at present, and every copy now given out is to be treated as only loaned for the time being.

The announcements of policy herein made may be relied upon as to all material issues. The executive of the company will, in due course, speak officially and in detail.

Meanwhile the undersigned will receive any overtures which authorized deputies may desire informally to submit, and which may properly be laid before the executive of the company so soon as it shall be finally constituted.

The terms upon which the first issue of stock will be made may also be learned upon application to the undersigned.

JACOB R. SHIPHERD,
Attorney for the Proprietors, 10 *Spruce Street, New York.*

Dated May 20, 1881.

[Private draft memorandum. Return to Jacob R. Shipherd, 10 Spruce street, New York.]

TRUTH DEMONSTRATED AND CALUMNY DEFEATED.—BRIEF HISTORICAL ABRIDGMENT OF THE FACTS WHICH PROVE THE TITLES OF ALEXANDER COCHET TO OBTAIN THE PRIZE WHICH, AS TRUE DISCOVERER OF THE VALUE OF GUANO, HAS BEEN AWARDED TO HIM BY THE COMMITTEE ON PRIZES OF THE CONGRESS OF 1849.

APPENDED IS THE REIMPRESSION OF THE NEW PROPOSALS PRESENTED TO THE SUPREME GOVERNMENT AND THE NATIONAL REPRESENTATION.

The following is a correct translation.

ADOLPHE PIERRA.

PHILA., *May 24th*, 1881.

GUANO.

PROOFS THAT COCHET WAS THE FIRST ONE THAT MADE ITS PROPERTIES AS A FERTILIZER KNOWN TO EUROPEAN AGRICULTURISTS, AND THAT, CONSEQUENTLY, TO HIM IS DUE THE ESTIMATION, VALUE, AND APPRECIATION IN WHICH IT HAS BEEN HELD FOR THE LAST TEN YEARS.

In the year 1840 Cochet, in his intercourse with Allier, communicated to him his scientific observations upon the various properties of guano, its application to the arts,

or, as manure, to agriculture, in order that, through his management, a contract might be entered into with the government, in which he was to have an interest.

Allier, betraying the trust confided to him by Cochet, procured for Señor Quiros a lease for all the guano islands. Allier did not even mention Cochet, and played to such an extent on his confidence and credulity that he persuaded him that Señor Quiros had negotiated the contract without his consent, and lamented as unfortunate both for him and for Cochet, the circumstance of the latter's not having contracted beforehand for the lease of the aforesaid islands. Cochet discovered to him that much could yet be remedied, since there was also guano on the continent. Allier then hurried to Quiros, and had him add an article to his contract, embracing not only the guano contained on the islands, but also all that might be discovered on the continent, which article was approved by the government, then not aware of the magnitude of the transaction. On finding out such villainous proceedings, Cochet presented himself to the council of state, exposed the fraud and robbery perpetrated on the nation and on himself, and asked for the abrogation of the ominous contract. In order to enlighten the government on the subject, he forthwith published his dissertation on the properties of guano, and its applications either to the arts or to agriculture as a fertilizer. This is briefly the history of what happened. Look now to the respective documents.

On the 10th of November, 1840, signed Quiros the first contract, obligatory for six years, the sum of 60,000 pesos to be paid in the following manner: 38,500 pesos in coin credits, this being the remainder of the robbery made on that famous machine; 1,500 pesos, cash, 10,000 pesos twelve months after; and the balance, 10,000 pesos, two years from date. On the 4th of December of the same year three more years were voluntarily added to the contract. On the 17th of the same month the coast was added to the islands, on the petition of Quiros, who stated in his application that he had just been informed that Punta de Lobos, Pabellon de Pico, and other guano producing places, were really not islands, but peninsulas, forming part of the continent. (See "Los Peruanos," Nos. 40 and 52, and "El Comercio," No. 473.)

Notwithstanding the first remonstrances made by Cochet to the council of state, dated February 15th, 1841, whereby the term of the contract was reduced from nine years to one, they shipped considerable amounts of guano, which was sold at first at 120 pesos per ton, in consequence of the information given by Cochet to Allier, companion of Quiros, although the fact was not then made to appear in order to deceive Cochet. However, Allier could not conceal his evil doings long, and Cochet, on becoming aware of such treachery, resolved to make known his secret.

The wide circulation of the news of those sales having confirmed the truth of what Cochet had announced, public attention was awakened, and the journals commenced to occupy themselves on the subject. But as neither the true value of guano nor its proper application to agriculture was yet known either in Europe or in Peru, the price of guano came down to almost nothing in England as soon as they had extracted therefrom the large quantity of ammoniac, of which Cochet had told Aquiles, and learned that there was an unfailing supply of the article in Peru, as Allier assured.

Every one was speaking and discoursing in the dark, when Cochet published, in 1841, his dissertation on guano and its properties. In that work the author stated that this article was destined to produce a revolution in the arts, and by means of a curious scientifically-formed scale, showed the method to be employed in using that deposit as a manure, and indicated the relative quantities to be used for any kind of plants or crops to be raised, by a simple rule of proportion. By this calculation Cochet proved mathematically that a cargo of guano was equivalent to *fourteen cargoes of grain*. (This dissertation is in print, and an abstract from it with the agricultural scale can be seen in "El Comercio," No. 3665, Thursday, October 2d, 1841, and it is also attached to the process.) All were moved at the appearance of such a document, and the English minister sent immediately a large number of copies to England.

The true import of guano was known immediately from the memoir of Cochet, and the council of state, which, by virtue of the previous representations, had resolved to annul the contract of Quiros and Allier, had no more knowledge upon the value of guano than that furnished by Cochet, said council being entirely ignorant of the high price at which it had been sold in Europe. This appears from the report presented by Counselor Señor D. Lucas Pellicer, in which it is stated that only after the council had agreed to annul the contract, did he know of the high price at which guano had been sold, and that through the minister of finance (de hacienda). It is therefore evident that if public opinion had been alarmed at the contract of Quiros and Allier, and if the council had rejected it as injurious and onerous, it was not in consequence of the news received from Europe, for such news had not come, according to the declaration of the council, but as a result of the disclosures made by Cochet. So certain is this, that Señor Laso explicitly relied on the merits of that dissertation to defeat the mentioned contract, in the session of the 18th. (See "El Comercio," No. 742, council of state, November 18th, 1841.)

Allier answered, heaping insults on Cochet, but could not confute any of his manifestations, whose convincing arguments brought all the writers of that time to the

support of Cochet, through their editorial articles, as can be seen by "La Bolso," Nos. 250, 251, and 255, November, 1841.

Dr. G. J. Antonio Colmenares, in his opinion as *fiscal* (attorney-general), dated November 26, 1841, was in favor of annulling the contract; and notwithstanding that Allier made strenuous efforts to sustain it, and so discredit Cochet, the latter, by the force of his reasoning, carried his point, and rendered to the nation the inestimable service of acquainting her with the great value of guano, and of enabling her to get rid of a contract pregnant with irremedial injury to her interests.

However, up to that time, nothing was known in England as to the manner of using guano as manure, as the tons sold there at 90 to 120 pesos were utilized for the extraction of ammoniac, and their price fell considerably afterwards. But as soon as the British agriculturists tried it in pursuance of the exact rule given in Cochet's dissertation, and they found out that the results corresponded to what was announced, guano was priced at its true value. This may be inferred from the important circumstance that only after the publication of Cochet's memoir was there a fixed rule for the use of guano as manure; and as there has never appeared any other, no doubt can be entertained that it was the one which was followed. In 1845 D. Manuel Menendez, president of the council, mentioned Cochet to prove that by his work he learned the real value of guano, a fact that brought about the abrogation of the Quiros-Allier contract.

By reason of what has been stated, Cochet, isolated as he was in society, with his single-handed efforts, and shielded by justice and right, succeeded in timely preventing the ratification of that famous contract, which would have been both dishonorable and ruinous to the nation, and to secure which Allier employed with eagerness and activity all the craft of a *Rodin*, in order to blind the Peruvian Government and Sr. Lemoines, chargé d'affaires, who, being on the point of interfering in the matter, desisted on hearing him; and he also had furnished the government information and reasons more than sufficient to induce him to annul that contract. (See a letter concerning Allier in "El Comercio," No. 144.) Moreover, immediately after the abrogation of that contract, the greater portion of the commercial firms of this capital, desiring to engage in this business, and not being informed on the subject, consulted Cochet. He satisfied them all, destroying any fears they might have entertained. Among them may be mentioned especially Mr. Montane, Mr. Ponmaroux, and Juan Hain, with whom he was in social intercourse. The latter manifested an eager desire to engage in this business, trusting in the reasoning of Cochet's dissertation: but disheartened by a letter he had received from London a few months before, and which he showed to Cochet, announcing that the guano sent by him had been thrown into the Thames as useless, he dare not embark in the enterprise, and requested the undersigned to tell him frankly whether he was certain that he was not mistaken on the properties of guano as applicable to agriculture, and to give him some explanations that should convince him. Cochet willingly complied with Sr. D. Juan Hain's request, giving him all the information he could desire, and furnishing him with so many data that, his fears being vanished, instead of considering it a risky business, he saw in it a *safe and brilliant enterprise*, and consequently was the first to make to the government a proposal of a *new contract*, for which there were so many applicants that the government suddenly received 800,000 pesos, at a time when it most needed the money a few days after the unfortunate occurrences of Ingarvi, when the enemy was on the frontier, preparing to invade Peru. The government had then no troops to defend the country, nor money to raise them; but on receiving that sum, improvised a brilliant army which defeated the plans of Bolivia, and caused the nation to be respected. Who can gainsay these facts? Nobody; for all Lima has witnessed them. In regard to D. Juan Hain and Montane and Ponmaroux, the facts have been published in the newspapers of the capital whilst they were here, and they have not denied them. They can also be found in my process.

Convinced of all these truths, which are based on positive facts and documents worthy of faith *the Congress of* 1847 *declared Cochet as the true discoverer of guano*, and the committee charged with the claims of Allier, in giving his opinions in favor of the gentleman, affirmed that the prize was awarded to him, *not as discoverer, as this title belonged to Cochet, to whom one should be awarded as such.* (See "El Carreo Pernano," Nos. 921 and 925, and "El Comercio," No. 2552, sessions of the 22d and 28th December. Discourses of Señores Roman, Gonsalez, and Polar, members of the committee.)

Finally, in 1849, the committee on prizes declared Cochet entitled to the prize of 5,000 tons of guano for his expenses and discoveries, although imposing the condition that he should reveal his other secrets before receiving the recompense. It does not appear just on the part of the nation to require this condition from a man who, as stated, has gained and deserved so well the assigned reward, which should be granted long since.

ANOTHER DISCOVERY ON THE SAME GUANO.

It has been seen already that Alexander Cochet is the real discoverer of the estimation in which guano is now held, and the author of the immense benefits conferred by it on the nation. However, he offers to increase its value from two to threefold provided that the proper rewards are granted to him. For this purpose the most natural proceeding is to authorize the Executive to make arrangements with Cochet, who has made himself deserving of the public confidence by the authentic proofs he has given to the supreme government in laying before the public the reality of his discovery, for the last ten years relegated to oblivion as visionary, with his proposals and offerings upon

NITRATE OF POTASH.

This important secret, which consists in the method of changing the bases of nitrate of soda into nitrate of potash at a nominal price, and to facilitate a largely increased production of gunpowder, is deserving of particular attention. Cochet has offered to furnish the government with nitrate of potash for half the price paid abroad, and promises to reveal an unfailing source of materials for its production peculiar to Peru, by which the saltpeter of Tarapaca, which has always been sold for exportation at the rate of twelve reales to two pesos a quintal (100 pounds), shall reach the price of twenty to twenty-two pesos, which is the cost to the government for that of the third decoction stored up for its powder factory. "Fool, charlatan, visionary"—such were the epithets applied to him on making this proposition; letters were referred to; exigencies were made; they sent to Europe for information; a note from a respectable person which appeared to confute the assertion of Cochet was shown to him. Such an acoumulation of obstacles and contradictions had been directed against the truth of the facts; but Cochet can triumphantly say to his enemies: "Shame on you, for the mean contrivance of your iniquitous plot which has only helped to render more complete my triumph. You have always wished to close on me the doors to glory. Behold how at last they are opened wide, and, with my glory, a brilliant future for Peru, which will now know that Cochet never promises what he cannot perform." Effectively, the assays made by order of the supreme government have ever resulted most satisfactorily. This nitrate, on being examined and analyzed, has turned out to be superior to the best European article, and the gunpowder manufactured from it has greatly surpassed in quality the best made in this country, although this is superior to the European powder. There is nothing else to be desired, and the only thing left to be done is to empower the Executive to arrange with Cochet about the reward to be bestowed upon him for such a valuable discovery, considering the great wealth it can confer upon the nation. *It may make Peru the gunpowder mart of the world.* The American nation will come here for her supplies in view of the very low prices at which it it may be sold, and its unsurpassed good quality. Moreover, if the necessity of this article is considered, whether for supplying the ordinary demands, for the leveling of mountains, for the working of new mines, or for the opening of canals and roads, it will be easy to form an accurate idea of the magnitude of the offer. The manufacture of this article is susceptible of the greatest improvement by following Cochet's instructions, and this will bring to the government a revenue nearly equal to that derived from guano, with the advantage of its being inexhaustible.

Cochet expects that the sovereign Congress will give its attention to all that has been stated, and that the year 1851 will see rewarded the merits of a man whose only aim in life has been to promote the prosperity of Peru

It is doubtless to be feared that the ill-omened man who continually persecutes and annoys me may now, as ever before, try to deceive the deputies, employing the inexhaustible resources he can command in the field of defamation and imposture. It would not be strange if by means of his despicable maneuvers he would seek to obstruct the course of negotiations now pending, and to render doubtful my rights, now crying down my discoveries, now planning impediments or interposing obstacles, with the purpose of making me despair at last, and abandon what has been always the dream of my life; that is to say, the noble pride of being able to attain the glory of being useful to the Peruvian nation, rendering her all the service within my power. However, I trust, and this encourages me, that this time his schemes shall be frustrated, for I have great confidence in the integrity and good sense of the Señores Representantes, who will not be willing to deprive their country of the advantages I offer her, in order to heed the futile suggestions of a man who, for the merit of robbing the nation, succeeded in securing a gift of 10,000 tons of guano; whereas they kept me for ten years bringing forth my claims, without obtaining the prize that I have earned by my researches and efforts. It is not, therefore, to be thought of that the national representation, forgetting its own dignity, may trammel with conditions against a just grant. By such proceeding it would gain little honor, as this would amount to the seizure of a man's property, since the 5,000 tons of guano granted to me have been earned beforehand by my work. If I accepted one of the conditions imposed on me, I was forced to it by the

persecutions and taunts to which I was subjected, as I wished to demonstrate in an evident manner that I was not a visionary; and I have victoriously proved this with the evidence of the new discovery, which tests have resulted as satisfactory as they are convincing to the supreme government.

That I may be awarded proportionate prizes separately for my new discoveries, in view of their utility, is an act of justice entirely independent from the subject of guano.

Once again, I hope that the Señores Representantes, taking all my statements into consideration, will show at last that Peru does not forget the service received, nor the benefits made in behalf of his aggrandizement.

ALEJANDRO COCHET.

NOTE.—Persons desiring further information may read the numbers of "El Comercio" of Saturday 27th, Monday, 29th of September; Thursday 2d, Wednesday 8th, Thursday 9th, Friday 10th, and Tuesday 14th, of October of the present year, 1851.

LAST PROPOSALS PRESENTED TO THE SUPREME GOVERNMENT AND TO THE NATIONAL REPRESENTATION, BY ALEJANDRO COCHET.

MESSRS. EDITORS: Please publish my last proposals to the nation, with the documents belonging thereto.

I do not send you the whole process for public information on the subject, because it is extensive and voluminous; but if I carry my point, as I expect, from the high wisdom of the men at present at the head of the government, the people shall see that I have never endeavored to deceive them; that I have worked, and worked for their good, and that if I now claim the prize of my wakeful labors, it is only to prevent a repetition of my previous experiences. However, I can affirm that, if I derive any benefits from my discoveries, those which will accrue to Peru from the same shall be a thousand and a millionfold greater, and this being my principal and favorite idea, I shall feel happy if the nation, accepting the fruit of my assiduous labors, will reach the full measure of weal I desire for her.

ALEJANDRO COCHET.

LIMA, *September 15th*, 1851.

MOST EXCELLENT SIR: I, Alejandro Cochet, a citizen of the French Republic, respectfully appear before your excellence and state, that during the government of your predecessor, General Castilla, I proposed to the Cuerpo legislature some effectual means to increase the public wealth. The opinion of the committee, to be found in the process, a copy of which I accompany, and a member of the chambers, are vouchers of the advantages to accrue to the state without laying any burden on it. The closing of the sessions of Congress prevented then the acceptation of my propositions; consequently I waited for the meeting of the ordinary legislature, in order to bring this business to a close.

Now that the new administration of your excellence has called an extraordinary session of Congress, one of the objects of the convocation being (object 8 of the decree of the 30th of April ultimo), "to consider the public revenues, and, should it be necessary, to devise means to meet entirely the calls on the public treasury for the year," the time has come for my petition to be considered in the extraordinary legislature, since its object is to increase the public funds without any burden on the exchequer. If I do not make evident the reality of the resources I will bring out, I will not only forget the prize of 5,000 tons of guano proposed by the committee, but be also the butt of public censure and contempt and opprobrium, for my failing in substantiating my offers. I am very certain that on accepting my proposition, Peru will have a source of wealth from which she shall draw millions on millions for centuries to come, the prize being too small and not proportionate to the magnitude of the discovery.

May Divine Providence grant that this great work has been reserved for the administration of your excellence; in the same manner as He reserved the discovery of this New World for Ferdinand the Catholic, and to Da. Isabella I. who listened to the demands of Columbus the Genoese, when they had been slighted in other kingdoms.

If your excellence desires to have a more extensive and complete knowledge of the matter, be pleased to look over the two processes, one of which can be found at the minister of war's office, and the other at the secretary of the honorable chamber of deputies, which will throw sufficient light on the subject.

I am ready to give summarily or minutely any proofs that may be required to thoroughly satisfy the government about the reality of my discoveries at my expense. Therefore,

To your excellence I ask and pray that he may deign to have the extraordinary Congress, in accordance with the edict of convocation, take some action about my petition, which I consider to be right and necessary to the prosperity to which the Peruvian nation is destined.

Most excellent sir,

ALEJANDRO COCHET.

LIMA, *May 7th*, 1851.

COPY OF THE REPORT OF THE COMMITTEE OF THE NATIONAL REPRESENTATION OF THE LAST CONGRESS OF PERU ON THE PETITION OF COCHET.

The committee on prizes, to which was referred the petition of D. Alexandre Cochet, a citizen of the French Republic, has taken into consideration not only the address of this chemist and naturalist, in which he demands the adjudgment to him of the 5,000 tons of guano that the national representation is disposed to grant to the Señores Allier and Quiros, believing them to be the first discoverers of the fruitful properties of this manure, and the first to introduce it into the European markets, but also the number of documents on the subject published through the press since 1840, and for many years previously.

It would be too diffuse to relate all the revelations found in such publications, as they have been circulated in every corner of the republic, and have been seen by the gentlemen composing the chamber; therefore, the committee will confine themselves to a brief review of the merits and scientific learning of the petitioner. This person came to Peru in 1826, as a scientific traveler, with the intention of returning to his country at the close of his explorations. He brought letters of recommendation to the government of that epoch, and invited by it and pressed by Generalissimo Gamarra, who knew his merits, to fix his residence in Peru, he has, to the present time, remained in the land as his adopted country, relying on the distinguished protection which the government tendered to him, as appears from the documents in his possession. From that time he devoted himself to travel over and survey the whole territory of the republic. He frequented the mountains of the Andes, including the Pampas of Sacramento, Canjbos, and the palisade of the Portuguese, on the Amazon River. There he observed, speculated, and made interesting discoveries in the vegetable, animal, and mineral kingdoms. He extracted quinine and balsams, made the essence of cinnamon, and recognized many resins, perfumes, and medicinal drugs. He traveled over the greater part of the Cordilleras, so rich in varied and valuable minerals, which he has examined and utilized; and also over the sea-coast and plains of Peru, where he discovered untold riches, especially in the saltpeter deposits of Tarapacá, where he converted the nitrate of soda into nitrate of potash. This discovery, and the information of the method of utilization, up to that time unknown, even in the country, would be a source of immense wealth for the nation, affording at the same time a livelihood for many poor families, and facilitating the manufacture of gunpowder, which, becoming an article of exportation, would give a supremacy over the contiguous states of this continent, and even over Europe, and would bring very large sums into the nation's treasury.

Heretofore it was believed that the guano analyzed by Cochet was only useful as a fertilizer, which would make agriculture progress wonderfully; but this chemist has discovered in this product other properties, which double its value and prove the power of science. This last discovery is still unknown in Europe, and we should take advantage of it when it is offered to us. Since Providence has provided us with rich deposits of guano, we must not neglect the occasion of increasing three and fourfold the value of the national products, convinced, as we are, that the nation would thereby secure new source of wealth.

All civilized nations greatly appreciate the importance of new discoveries, no matter how small they may be, and thus hasten to lavish prizes and rewards on inventors. All flatter, invite, and fondle the learned; and Peru, being ranked as a civilized nation, cannot afford to lose the advantages offered by Cochet, which will accrue to the immense benefit of the country, by refusing him, through a thoughtless and despicable economy, the moderate reward for which he asks. Really, the complete discoveries of the chemical properties of guano, their advantageous applications to industry and the arts, and the knowledge that more profitable substances may be extracted therefrom, persuade us that such is their paramount importance, that they are destined to revolutionize the sciences and the arts.

Besides this, the petition of Cochet is based on the constitution, article 55, paragraph 14. The fundamental law guarantees the liberty of all kinds of industry, and exclusively that of those inventing something new or improving other inventions; but the appellant wants an inducement, a stimulus, a reward proportionate to the magnitude of his discoveries. He could indeed, in view of his petition (like Columbus), enrich another nation with the very products of Peru, which would be unpardonable for us, in the present penurious and distressing circumstances of the republic, overwhelmed as she is under the enormous weight of the public debt, both foreign and interior, from which it is our duty to free, or at least to relieve her.

Upon these remarks, concisely and summarily put forth, the committee proceeds to give a safe opinion, without contingency or risk, in the following terms:

The 5,000 tons of guano demanded by Don Alejandro Cochet, as a compensation for his expenses, and as a reward for his discoveries, are adjudged to him, with the condition that he discover the other properties that raise the value of this article, for which, and for disclosing and teaching the method of converting the nitrate of soda into nitrate of

potash, other prizes shall be awarded to him proportionate to the advantages accruing to the nation, this to be guaranteed by the national representation; and in order that the resolution may be punctually and fully carried into effect, let it be transmitted to the executive, empowering it to stipulate with the concerned party upon the prizes to be given him, either in guano or money, or both, the petition being previously required to furnish his proofs personally and privately to the government or its agents, with the purpose of having his experiments taught and published after he has obtained the prizes.

So advises the committee, with full conviction, mutual fidelity, and without involving or risking the interests of the nation. Let it be reported.

ATANANO MACEDO.

COMMITTEE ROOM, LIMA,
September 30th, 1849.

Agustin Ratos, Thomas Ramis, Ambrosio Ortega, Manuel Cordero.

To the National Representation:

SIR: I have endeavored constantly and obstinately for ten consecutive years to transfer to the Peruvian nation several kinds of discoveries that must raise her to an incredible height of wealth, and I have also demanded the reward due to me for the first discovery I made and revealed, viz: To have raised guano to the estimation in which it is held at present. I have failed; my proposals and petitions have remained in the offices of the ministers of the various administrations; some have been long sleeping under their portfolios; others have been eaten by moth in the archives of the government for the last eleven years, without their having ever deigned to take action on any of them, and I have been kept with folded arms, unable to dispose of my own person, not knowing what to do or what to think, until, being out of patience, I was compelled to jump over all the barriers raised before me by the enemies of the country and mine, in order to be finally heard in the last legislature.

The great majority of the senores diputados have most favorably received my petition, and knowing them to be advantageous to the country, they have taken an eager interest in letting it see the accompanying opinion of the committee, which not only does me justice, but also confers great honors on me. These honors I do not deserve, for I am indebted for those discoveries rather to the goodness of God, who had deigned to recompense with them my assiduous labors than to my little scientific knowledge. I have not brought here great science, but I have done more than those who have been and are still boasting that they brought it.

However, the committee impose on me an undue condition on granting the small reward I ask for—a reward which is promised and guaranteed by the constitution, which I have lawfully earned, and which strict justice entitles me to. But that does not cause me to dismay; and although the prize should be granted without the condition of revealing my other discoveries, I willingly accept said condition, if only to show that I am not an imposter or charlatan; this with the proviso that I shall be awarded the other prizes proportionate to the importance of the discoveries, saving my right to service already rendered, and for which the committee has made grants; because a contract does not depend on outside parties, nor has ever bound them, nor should I in human justice, be shackled with so many and so great stipulations, to secure what is lawfully my due.

But as I said before, I accept the sole condition of proving what I promised in my memorial, concerning the transmutation of the nitrate of soda of Tarapacá into nitrate of potash, on the same condition laid down in said memorials, in order that I may be finally granted both prizes, the first of which has been already twice earned, and the second, considering the magnitude of the discovery, for which I only ask a hundred thousand dollars, as will be seen as soon as it is revealed, is not paid in its just price with a million of dollars. Notwithstanding the indisputable merit of having openly and generously published the propositions for my said discoveries, I have been exposed for ten years to have my footsteps followed by captious speculators, covetous of discoveries not belonging to them, in order to take advantage of mine. Indeed, many persons in this capital have hastened to make many an experiment, praying the government not to take any action on this affair, as they were sure to find out my secrets. General Castilla, being convinced that the attempts made here were fruitless, ordered his consuls in France and England to ascertain whether said discovery had been made in London. This has been affirmed by a certain person, well known in the country, with the sole object of annulling my proposals, and, as is customary with him, trying to injure me, to the prejudice of the nation, he having, on the other hand, requested the most famous chemists to try and discover my secret. But all of these attempts have proved unsuccessful, for nothing has been obtained after so many years' experimenting, and Señor Rivera, Chargé d'Affaires in London, about six months since, sent a note to this supreme government, informing it that notwithstanding having

consulted all the learned men of France, England, and even Germany, no headway had been made in regard to the investigation of my discovery. This note I have read myself in the minister of war's office. Let them discredit my assertion, let them discredit all those learned men of Europe to which I have referred, who are interested in revealing any useful discovery, for love of glory and for love of mankind, to which they consecrate their labors; but let them believe at least the testimony to be found in the minister of war's office, furnished by said person, also a scientist and a professor of chemistry, and they shall be convinced that I am the sole possessor of the secret. The strict and religious fulfillment of the award of the prizes I have named, on the part of the supreme government, will enable me to reveal other discoveries, perhaps superior to the ones above mentioned, which are to be measured by other prizes proportionate to the advantages accruing to the nation, and one of said discoveries being upon the guano, it will increase its consumption and enhance its value. I pledge my word of honor that, immediately after the conclusion of the saltpeter affair, I will give the proofs which shall substantiate my secret, which I can easily do, in a few hours on a small scale, or in a few days on a larger one, to the entire satisfaction of the government. I will proceed forthwith to present to the supreme government a proposal concerning this affair, in order that it be transmitted to Congress, with the government's observations, and that Congress take the proper action in the premises, when I trust I shall have the glory and the satisfaction of proving the success of this my last discovery. But if, unfortunately, I do not succeed in raising three or fourfold the value of guano, of which I am almost certain, I am completely sure to increase its price, and that the rise and estimation I shall give it will be remarkable enough to deserve a proportionate recompense.

If any of the señores diputados should doubt that I will keep my word in regard to enchancing the estimation of guano, I agree to leave in deposit half the amount of the prize in guano, 2,500 tons of entry out of the 5,000, twice earned, as a guarantee for the performance of this last proposal, the same to be forfeited in case of failure; but if I succeed I shall have earned said prize three times, and with three times more merit than had Jacob to obtain the hand of his beloved Rachel for carrying on his shoulders the blear-eyed Leah.

Let it be understood that this third discovery has no connection nor contingency with the other two prizes, bound in fact by the voluntary judgment of the commission, which I have accepted, so that my proposals are three instead of one. It will be also stipulated an amount equal to that to be forfeited in case of failure in raising the price of guano, shall be ultimately earned; or *vice versa*, on obtaining the success, said amount shall be added to the award that shall belong to me for enhancing the estimation of said guano. This shall be stipulated after the payment of the first two prizes gained, and before I will proceed to furnish the proofs of this third discovery. If I made the sacrifice of revealing and giving away this secret, which worked by myself in Europe would bring me an exorbitant fortune, as I could utilize it under the veil of mystery by disguising the substances without altering their effects, it is nothing but justice that the Peruvian nation shall assign and secure to me a proportionate share in the source of wealth which I present to her.

Moreover, if no agreement is arrived at upon these conditions, there shall be no betting, and consequently the amount left in deposit shall be delivered to me. Perhaps I will be charged with selfishness for asking many prizes. I will say to this that I consider myself in the same category as miners, who fix a stake on each vein they discover, the same being granted to them by the wise laws on the subject, for the more riches that are discovered the more is society benefited, and it is both an act of justice and a stimulus to progress to secure to discoverers a part of the wealth they bring out. If I aspire to a fortune, it is not for the purpose of hoarding it up, but of using it in the prosecution of the task I have imposed on myself of studying the natural productions of a country yet unexplored, or in enterprises of general utility, under the impulse of modern ideas of the habits of this profession.

Notwithstanding that my proposals have been heretofore looked upon with indifference, I do not believe this to have been the fault of preceding forms of government; I think that it has depended more on the individuals in power, although otherwise competent, for on other occasions they have expedited briefly and advantageously some business that seemed to be more arduous. The advantages of my proposals are dear and highly important for the good of the nation, as well as of every one of its citizens and inhabitants, and of society in general. If my proposals have not been looked at in this light, it is because a cloud has been interposed or the matter has been seen through a false prism, because it is mine, although it is more the nation's interest than mine.

My memorial on guano was pending in the last Congress at the close of its sessions, and ordered to be acted upon, with the report of the committee, embracing both proposals, separately, but united in said report, though each one of them referred to different subjects, as will be seen.

One thing is the first discovery of the properties of guano, recognized at present in all the markets of the world, and its increased demand in proportion to its enhanced advantages; and another the discovery, now offered, of the process of converting the nitrate of soda into nitrate of potash. Which one of them is more advantageous to Peru I dare not dogmatically decide, because either of them is susceptible of an indefinite development, the one, seemingly the less important, being destined to make Peru, by her inland products, the great gunpowder mart among foreign nations—a fact which I will delay in proving only as long as the government will in demanding it. I lay aside the consideration that this article is of paramount necessity for the safety and dignity of the Peruvian nation, as well as for the opening of roads and canals, and for developing the working of mines in order to bring out those masses of precious metals so abundantly found in the bosom of those proud mountains of Cordillera—a fact which is plainly announced by their outward appearance.

The proof of my good faith appears in the revelation of the advantages of guano, and this has been followed by an ominous silence, paralyzing the efforts of a foreigner who proposes to discover national riches which are hidden from the eyes of the inhabitants of the country. I have often, though vainly, tried to recover the memorial on guano which remains in the minister of war's office, in order to make use of it. Congress will be pleased to ask for it, with the corresponding report and the note of urgency, in order that, as on the preceding instance, it may take some action on my aforesaid proposals.

Sir, I have traveled for more than fourteen years over this country, not without deriving some advantages for the industry, as is the case with many who travel at the expense of governments and societies, devoted to the higher sciences, and with the purpose of gathering specimens of natural curiosities for the collections of natural history, but carrying with me, at my own expense, the necessary implements wherewith to examine and recognize the different kinds of natural products, and to ascertain whether they could be useful to the arts and to commerce. In order to prove what I say, as well as my devotion to the natural sciences, I will take the liberty of referring to one of the many persons who closely have seen me at my explorations in the interior of the country. Such is Señor D. Pedro de la Quintana, a member of the chamber, whom I believe to be here at present.

In these researches, during my long and laborious travels, I have spent a capital which would have enabled me to live rather comfortably and decently in Europe. In its stead, I have ruined even my health; and, although I have run out of pecuniary resources to carry out thoroughly my observations and my essays, I believe, however, that among the natural products that I have examined, some will become articles of great importance and estimation in the commerce of exportation and in the arts, if I see the day when I shall have sufficient means to devote myself to labors of this nature with the calm and tranquillity which they require. I am not inclined to promise what I cannot substantiate, nor to expose myself to be treated as a visionary or a charlatan. I do not let myself be deluded, for I am always on my guard against a delusion. Notwithstanding that chemistry has exacted rules and processes, I repeat over and over again my operations and my analyses hundreds of times, if necessary, until I feel convinced that my discoveries are not dreams nor castles in the air, as is supposed, but a reality—a gift that Divine Providence gives the little ones—to be transmitted to mankind.

Permit me to speak to you with the freedom and sincerity I am accustomed to: The artificer and the discoverer of useful things should never be oppressed. They should rather be afforded a favorable position, if it is desired that their capabilities be developed, and that they become advantageous to all without injury to them. How many sublime discoveries have been buried with their discoverers, the latter having been unwilling to submit to tyrannical and humiliating conditions.

I should keep you on your guard against the enemies of the country and my own, who have done so much injury to the nation, thwarting my plans and my proposals up to this time.

If you desire to promote the welfare and the wealth of your country; if you wish to receive the blessings of your constituents; if you want to deserve the gratitude and esteem of the whole world; if, finally, you are willing that the Congress of 1851 be made famous, and your names be perpetuated to posterity, give my affair, now pending in your secretary's office, the preference and attention it deserves; not for my sake, but because it is demanded by your constitution; by your oath, and by your loyality to your constituents, who have intrusted you with the nation's prosperity. Taking as your guide the interests of the country, do impartial and equitable justice to him who offers you so many advantages, and is willing to enhance your power; otherwise, everything will be frustrated. If you add conditions to those I accept at present, as tending to your good and mine, you will discourage me. I will forever give up the hope of having the glory of seeing my projects realized, and to receive the indemnity and recompense for my heavy outlay, wakefulness, time, and assiduous labors. I therefore inform you that I will, for the last time, call your attention to the reasons I have stated. My

health is broken, and does not permit me to delay or remain in the country, if, finally you do not admit me, for what object could detain me here when I am certain that, carrying my knowledge elsewhere, I shall soon secure a fortune and the satisfaction of seeing my labors justly appreciated.

The administrations of the government have been changed in the course of these years, and I do not believe that the policy of burying my inventions and proposals will be continued by the incumbent now in the presidential chair; and Congress having been partly renewed this year, this circumstance has led me to make this exposition more prolix in order to give a more complete information.

ALEJANDRO COCHET.

REFUTATION OF SEÑOR RIVERA'S NOTE.

MOST EXCELLENT SIR: Don Alejandro Cochet, a French citizen, and a resident here, to your excellence respectfully states as follows: I never believed I should see myself in the necessity of refuting the note of the chargé d'affaires to P. H. B. M. (which was attached to my process), relative to my communications. These had been referred to him in order to ascertain whether my discovery of the process of converting the base of nitrate of soda into nitrate of potash had been made in Europe, as was affirmed in an apochryphal letter, maliciously published in the newspapers of this capital, three years ago, on the eve of concluding the contract for the sale of my secret to the government. I did not believe, I repeat, in the necessity of a refutation, for the note is only a heap of absurdities and contradictions.

I presumed that the contents of my process were more than sufficient to destroy all doubts, and the obstacles they might throw on my projects. On the one hand, I cannot help wondering at the manner in which the note itself appeared at the minister's office, also on the days in which General Castilla had decided again to make the acquisition of my secret; and on the other, I have been informed that this document is producing its injurious effects against my project, for the simple reason that a chargé d'affaires shall be believed more than I, in the absence of chemical knowledge, to judge correctly on the subject; so I see myself in the unpleasant necessity of saying what I would like to withhold. But both my honor and my interests compel me to make the painful sacrifice of my inmost sentiments.

It seems, most excellent sir, either that I have not been understood in regard to the essential objects of my proposal, or that I have not been able to give a clear explanation; I beg leave, above all, to assure you that I find it hard to believe that the note or report attributed to the chargé d'affaires comes from the party whose name it bears—a name which I consider respectable, and which, for this reason, is used by enemies to thwart the enterprise, and bury in its cradle this great discovery.

The note of Señor Rivera says that my secret is known in Europe. In my memorial I do not claim to be the discoverer of the process of changing the base of nitrate of soda, because all chemists know that not only the bases of all the nitrates can be changed, but also those of all other salts, whenever other bases are presented that have more affinity with their acids. I never denied that an operation equal to mine could be made in Europe or elsewhere, either with home or foreign materials, for I know that, since the discovery of nitrate of soda, this transmutation has been obtained both here and in Europe, giving as a result a superior quality of nitrate of potash. There are public and evident facts which, although they appear to be unknown to Señor Rivera, are proved by the report of the subdirector of the powder-factory of this capital, Don Simeon de la Rosa, to which I refer in my memoir on nitrate of potash, filed in the process on the matter. And if my assertion concerning these facts is there justified, not less are verified the ruinous results of the undertaking engaged in by the contractors of the aforesaid factory in order to work out that transmutation. Relying on a method of changing the mentioned base, bought from a German naturalist sent by the court of Spain, they were compelled to abandon their work, as is shown, being convinced, after losing $200,000, that the cost of the operation was exceedingly great. The same has been corroborated by the mentioned subdirector, who, operating by the same method, which he holds, written in the hand of said chemist and naturalist, asserted that the nitrate of potash was obtained from the nitrate of soda of Tarapaca at a cost of 79 pesos 3½ reals per quintal (100 pounds). This was the confession of said Señor La Rosa, in his report of September 11, 1823, to the commandante-general of artillery (it has also been copied in said memoir), giving an account of the results of the experiments which the government resolved to make at that time, being pressed by the scarcity of that article. The same thing has also happened in Europe, where, encountering always the same obstacles, they have likewise given up the fabrication as often as it has been undertaken, not by reason of the bad quality of the nitrate produced, but for want of cheap materials to obtain the same results. This is the great problem solved in two words; this is the difficult point made clear, It is the discovery of suitable materials for said transmutation which has been accomplished by me on this favored land—materials whose existence and application has heretofore

been unknown. I repeat, and will repeat it a thousand times, the sole revelation of their existence and their properties is not paid with a million of dollars, considering the incalculable advantages accruing to the nation from their discovery.

Notwithstanding this clear and true statement, who would believe that there is still in this capital a person (easily to be recognized, without being a physiognomist, by the remorse for his depraved acts clearly revealed on his countenance)—a person who has this very day the audacity and the effrontery to carry a book on chemistry under his arm, in order to persuade that the secret of converting the base of the nitrate of soda into nitrate of potash is already known, and that, consequently, I pretend to deceive the government? Wicked man! what matters whether the result is produced, if it is not obtained by the same means which I offer or by others with an equal economy? Is, peradventure, the transmutation the point of the secret? And even it were discovered—an event which shall not take place for centuries—are not the materials the exclusive property of Peru?

What shall the country do with these prime materials which she possesses in inexhaustible quantities, for the manufacture of nitrate of potash, if there is nobody to know them nor how to utilize them for this purpose? It is strange that that wretch, who has been for so many years persecuting me and depriving the nation of this source of wealth by all means at his command—it is strange, I say, that this man, who pretends to be a naturalist, a chemist, and a great general of the empire, does not present the same materials and the same advantages I offer, but only in its stead the base and villainous maneuvers which he has employed heretofore in order to surprise the good faith and credulity of his hearers. Here is the point of the difficulty, and as long as he does not overcome it—a result he has not been able to accomplish up to this time, notwithstanding that since the announcement of my discovery he is endeavoring to do it, both here and in Europe in order to indemnify himself for the abrogation of the famous guano contract—as long, I repeat, as he does not overcome this obstacle, the supreme government should look with contempt upon his machinations, and should not prolong the long period in which he has succeeded, thereby to deprive the nation of so immense and easily-to-be-got resources.

Your excellence will excuse this passionate digression to which I have been involuntary driven by the acrimony engendered by the gratuitous persecutions of a man upon whom I was once willing to bestow great benefits. Believe me, your excellence, he, and nobody else, has been the principal cause of this failure on the part of your predecessors to hear or heed me; and, although he perseveres yet in his headlong purpose, I have this time a presentment that your excellence, penetrating into his plots, will know how to defeat his plans. All my hopes rest now on the eminent character of your excellence. I consider it as the key which will open to the Peruvian nation the gates to that and other sources of wealth that your predecessors declined to touch. I entertain no doubt that to your excellence has been reserved the glory of raising Peru to the highest plane of opulence to be desired by any nation.

Continuing my exposition, I hereby insist that my aim has been to secure two advantages: The one is not to be dependent on any foreign materials, for Peru has them in her sod in unfailing abundance; the other, to bring down to the lowest point the cost of producing a nitrate equal to the best heretofore known in the world; adding at the same time that no nation shall be able to produce it more economically, not excepting even North America and Russia, which are the principal markets for potash.

It remains yet for me to say, in reply to Señor Rivera (if the report is his, for I rather think it comes from one of his amanuenses), that as regards the assertion that potash is extracted from marine substances, it is a gross error, as only soda can be extracted from said materials. As regards the impossibility, contrary to my assertion, of completely separating the soda and the nitrate of soda from the nitrate of potash, this is a grosser error yet; for these substances being, as he says, liquescent, the rest of them can be easily separated by the simple process of crystallization; since the nitrate of potash is less soluble and the others can only subsist on the surface. This method was adopted in France to refine it more than sixty years ago.

The report affirmed, moreover, that said liquescent salts are inseparable from the nitrate of potash, and that therefore the gunpowder manufactured with it must be used the same day, by reason of its affinity with atmospheric humidity, which renders it unfit for later use. But if I present the nitrate manufactured by my method with materials different from those he mentions, and as pure as the most transparent crystal or the finest gold and silver, and consequently free of the liquescent salts he named, or any other extraneous matter, it is evident that besides destroying his assertion with an incontestable fact, it can be clearly inferred from its own report that my discovery was not known in Europe, and that my saltpeter, already in this state, must equal in quality the best produced by any other method. I can therefore assure that the gunpowder made with it shall be of unsurpassable quality, and with this conviction I have offered in my memorial to send myself (suggesting that the government should do the same) to the Institute of London and of Paris a quantity of my nitrate

for the purpose of having their learned members judge of its merits, and decide this matter. The same action can also be taken with the same purpose in the Exhibition of Prizes.

The same reports assert, finally, that besides the fact that the nitrate of potash obtained by the transmutation is of inferior quality, it should be called *artificial*. Alas! most excellent sir, I call your excellencie's attention to the point, in order that you may see and be convinced that such a report has been got up with evident intention of defeating my discovery, making my nitrate appear, according to the vulgar saying, as "bewitchment" (hechizo), in order to cast upon it suspicion and contempt.

It is plain that in expressing himself in this manner, the author of the document has committed a gross and unpardonable error as a chemist, or else he has been prompted by the malign purpose of doing an injury. This is the more scandalous that nobody, however short-sighted, will dare to deny that the nitrate of soda of Tarapaca is a natural nitrate, and if this is natural, mine must necessarily be also the same.

The nitrification of that one is the work of nature, and the operation of utilizing it being reduced only to the changing of its base, it is inconceivable that a chemist may ignore this fact or pretend to rest on it to qualify said nitrate as an artificial product. Well, then, if the author of said note gives the name of *artificial* to the nitrate obtained by transmutation, why does he not give the same name to the European nitrate, which, according to its origin, might with great reason be called thus? The greater portion of the nitrate there manufactured is really artificial, if we except that obtained by the demolition of houses; for there is not a European nation that has not her artificial saltpeter works. The person to whom the report is attributed must be aware of this fact, if not from ocular observations, at least from his perusal of chemical works; all of these refer to said saltpeter works, and mention the fact that the only natural nitrate of potash known is a product of India or the coasts of Peru.

My moderation and my respect for the government prompt me to abstain from refuting the rest of the report; it is sufficient to say that the extravagant statements it contains, convince me more and more that its author is not the person to whom it is attributed. I know Señor Rivera, and, if I am not mistaken, I think I know the extent of his knowledge on the matter enough not to insult him with the belief that he is the author of such production. Now, most excellent sir, that the field has been somewhat cleared of difficulties, in case your excellence judge it convenient to commence to take some action on this interesting case, and tear once for all the thick veil with which an evil genius has covered my discovery, I send to your excellence, according to my proposal of contract, two boxes of the nitrate of potash, whose utilization I promise to show, said nitrate having been manufactured by me out of the nitrate of soda of Tarapaca. Your excellence will please keep one of those boxes and have the other delivered to me, sealed with the seals of the state and those of the consulate of my nation. Your excellence will please have the box you may select examined by professional persons, and submitted to all the tests you may think proper. If, after the most rigorous examinations, your excellence is satisfied, I will be ready to enter into the contract, and will proceed to teach my method. If there should unexpectedly arise any doubts as to the sameness between the nitrate of potash I shall have taught to produce and that of the sample, the sealed box shall be opened and the competent persons that may be appointed shall publicly, and in my presence, make a comparative examination. If, after this, some doubt should be yet entertained as to the identity of the two articles, both shall be sent, as suggested before, to the Academy of London and of Paris for the purpose referred to.

If all these proofs, to which I submit spontaneously, should not be sufficient to convince and make evident my discovery and my good faith, it will be stipulated then that the nitrate produced by my method shall be compared with the best produced in Europe, Asia, Africa, America, and Australia, because, as I have said, chemistry only recognizes one nitrate of potash, and this science has rules to determine, by means of essays, its purity and its value, a point which the mentioned academicians shall decide.

It is really incomprehensible that proposals, such as mine, from which the government, far from risking anything, shall derive millions on millions for centuries to come, have not been accepted for such a long time. This leads the most incredulous to admit that this affair has been hostilized by men who have a ready command of the magic arts, or rather of recreative physics, which indeed ceases to be recreative from the moment it is used for their profit and to the prejudice of society. To your excellence belongs now the duty of investigating who are the authors of the opposition I have encountered for the last ten years and of the machinations skillfully employed to defeat my proposals and to thwart the desire the government itself, and even the national representation, had at different times of accepting them. This in order that your excellence may be on your guard against their plots and intrigues, and that the nation may not be defrauded this time of the wealth I offer her.

Lastly, most excellent sir, my object in soliciting that this case may be, as soon as possible, taken into consideration by the chambers, is to take advange of all the time

of the extraordinary and ordinary congress in order to present other discoveries of equal magnitude and of no less importance to the goverment and to the nation; therefore,

To your excellence I pray that he be pleased to give his attentive consideration to this petition, requesting that it be filed with my previous application, and upon which your excellence will resolve what he may deem proper.

ALEJANDRO COCHET.

LIMA, May 28, 1851.

[Private. Return to Jacob R. Shipherd, 10 Spruce street, New York.]

THE PERUVIAN COMPANY.

CHAIN OF TITLE.

The sole heir of Cochet—who died instestate—was a natural son of Gelacio (who inherits under Peruvian law), and of him the present owners of this claim made direct purchase; the assignment to the Peruvian Company will be made by these purchasers, and the entire chain of title will include but two links. Detailed and original proofs of all the facts material to the validity, value, and title of the claim are ready for examination at the proper time by such counsel as subscribers to the stock may designate, and no room for doubt as to any question of fact will be left.

The formal parts of the conveyance by the heir are next given:

The undersigned, Don ——— ———, a native of the United States of North America, on the one part, and Don Gelacio Cochet, native of Peru, on the other, both of them residing in this city, have made an agreement, which is hereafter expressed.

"1st. That having understood that Señor Gelacio Cochet could prove his title to be declared judicially the natural son of the deceased Don Alexandro Cochet, and as such to be acknowledged by the tribunals of Peru as having right to the premiums which may have been awarded or may in future be awarded in favor of the said deceased and of his legal heirs; that these premiums result from the important discoveries made by the said Mr. Cochet's father relative to the use and application of the guano as manure for agriculture in foreign countries.

"2d. That seeing Mr. ——— ——— ready to practice all the needed measures to prove these rights, which will cause great outlays of money, as also an indefinite length of time before the matter is cleared, both parties, led by a mutual interest, have agreed, the one to sell, the other to buy the said rights yet inconclusive, and to be disclosed with the object of forming the demand which will have to be made to the supreme Government of Peru for the value of the premiums on the before-mentioned discoveries of the use and application of guano.

"Therefore, Don Gelacio Cochet, in consideration of the sum which will be mentioned further, sells and makes over unto Don ——— ———, in perpetuity the title and rights which he may acquire as the legal heir of Don Alexandro Cochet to the premiums which the Government of Peru may assign to the said Cochet, in conformity with article the first of this agreement, Gelacio Cochet binding himself to prove by means of the corresponding judiciary inscriptive of affiliation to be the true natural son of Mr. Alexandro Cochet, discoverer of the properties and applications of the guano, which is not a hindrance to the ends of the present agreement for Mr. ——— ———, to recognise him as such, in order to proceed to establish the claim which will give him a legal character. Moreover, Mr. Cochet binds himself to confer on Mr. ——— ———, if necessary, a power of attorney in full legal form, so he can make his claims and demand of the case before the corresponding authorities, and also not to give a power to any other person in representative declaring the right of succession to the will of Mr. Alexandro Cochet, free of all compromise, donation, mortgage, or any other charge whatever on its part.

"Don ——— ——— on his part binds himself to pay all the expenses, and perform all the demands which may give for result the declaratory of Don Gelacio Cochet as natural acknowledged son of the deceased Don Alexandro, and to establish all the necessary reclamations to obtain the payment of the premiums that the supreme government may have assigned, or hereafter may assign, to the heirs of Don Alexandro Cochet, as discoverer of the uses and application of the Peruvian guano; and, moreover, he binds himself to give the said Cochet, in payment of the purchase he now makes of the inconclusive rights, the sum of ———, in current coin, be what it may the amount of premium which he might be indemnified with by the Peruvian Government, said sum to be delivered to Cochet at the same moment that he may receive it from the said government, whether it be by means of a compromise, a transaction with

it, or by means of a diplomatic reclamation established to the purpose. And if the sum exceeds ——— soles Mr. ——— ——— binds himself to increase the amount to ——— soles more, above the said ———, all expenses and charges having to be made until the payment is obtained of the said premiums inherited to be on his Mr. ——— ———'s account.

"It is distinctly declared that for reason of Cochet's legal right to be considered the heir of Don Alexandro Cochet not being perfected it has been agreed in good faith to make this sale and purchase in a provisional manner; meanwhile the steps are taken to install him in the said character. Both parties binding themselves to respect the present as valid and in force, the same as if it had been by a notary public. Binding themselves both to carry the same to a national document as soon as Cochet is admitted to the rights of a natural and recognized son of Don Alexandro Cochet, and they sign the same before the witnesses undersigned, at Lima, on the thirteenth day of July, eighteen hundred and seventy-nine.

"GELACIO COCHET.

"Witnesses:

"JUAN WILLIAMSON.

"J. THÉOPHILE LANDREAU."

Natarial power of Attorney.—Don Gelacio Cochet to Don ——— ———.

"At Lima, on the seventh of August, one thousand eight hundred and seventy-nine (1879).

"Before me the notary and witnesses, appeared Don Gelacio Cochet, a native and a neighbor of this city, of full age, a painter, and intelligent in the Spanish language, whom I know and warrant, and said:

"That he confers to Don ——— ——— a power of attorney referrent to the minutes hereafter expressed.

"Mr. NOTARY PUBLIC: Please order that in your register of public grants, a genera and full power which I, Gelacio Cochet, a native and a neighbor of this capital, of state single, by profession a painter, and of full age, in full mind and capacity do grant. I bequath in favor of Señor Don ——— ———, actually residing in this city and a native of the United States, married and a merchant by profession, so that he, in my name and representative of my person in its rights and actions, take charge and demand on my account and excute the claims that I have to make on the supreme Government of Peru for the value of the premiums awarded to my father, Don Alexandro Cochet for the discovery and revelations made by him relative to the properties, value, utility, and employment of the guano in the agriculture of the European countries, revelations made prior to the negotiations verified by the supreme government in said article, and which service was duly acknowledged by Congress, but not indemnified at the time, and which now belong to me as the *only son* and *legal heir*. *Therefore*, I *confer* unto Señor ——— ———, the most *ample power* to the effect and with the character of exclusive and irrevocable, so that he may establish all convenient claims on the supreme Government of Peru and before all courts of justice which he may consider convenient.

"To demand, establish, and terminate suits, to hear and answer all expositions, receive information, demand testimonials, as much of witnesses as of documentary evidence, whether in foreign lands or within the republic.

"To propose and admit transactions, arrangements, and compromises, and in all to act with the ample powers which by this general power I confer unto him, moreover, that of substituting the same in part or in the whole, on the person or persons whom he may think convenient, having to himself all necessary amplitude so that he, 'whether it be for want of any condition, exception, or else,' be not wanting in validity, with reservation of costs in due form. Please insert and aggregate the clauses in style needed, to insure its validity.

"Lima, seventh of August, one thousand eight hundred and seventy-nine (1879).

GELACIO COCHET.

"Under the bases contained in the foregoing minutes, number nine hundred and seventy-eight (978), this power of attorney stands conferred according to the same. And I, the notary public, do assure and certify that I have complied with the articles, seven hundred and thirty-five (735) and following of the judicial code, and the bequeather well instructed of its contents, he ratifies the same and signs together with the witnesses.

"Don Manuel Haya, Don Marcelo Vallessos y Don Francisco de Meontestrugue, of this city; Gelacio Cochet, Manuel Ma Haya, Marcelo Valleso, Francisco de Montestrugue. Before me,

"FELIX SOTOMAYOR,
Notary Public.

"Presented before me and is registered at folio six hundred and fifty (650) and following of my register. To which I certify and sign this testimony, after it having been corrected according to law, the day of its being granted."

Power of Attorney No. 1482.—*Mr. Gelacio Cochet—Mr.* ——— ———.

"At Lima, on the 19th of August, eighteen hundred and seventy-nine, before me the notary and witnesses, appeared Mr. Gelacio Cochet, a native and neighbor of this capital, of full age, well instructed in the Spanish language, and whom I declare I know, who says: That under guarantee of Messrs. Mariano de los Rios, José A. Garcia y Mariano Solas of he being a son of A. Cochet, who also know him personally, he confers on Don ——— ———, the 'power of attorney' referred to in the minutes, which, with the certificate of his birth, is as follows:

"'*Partida.* The undersigned curate, rector, of the parochial of the sagrario of the cathedral, * * * certifies that in my bound common paper book, entries of baptisms in which are made, which begins in eighteen hundred and forty-one (1841), and ends in eighteen hundred and forty-eight (1848), at page 190, there is an entry which says as follows:

"'PARTIDA.

"'In the city of Lima, capital of the Republic of Peru, on the thirtieth of May, eighteen hundred and forty-five (1845), the Presbitero Don Gregoria Balenzo, a lieutenant of the curate, rectors of the sagrario of the cathedral, solemnly baptized and put Oleo and Crisma to Gelacio of one year old, natural son of Alexandro Cochet; Don Mariano Camacho being his godfather.

"'DON JOSÉ PALOMINO.

"'Witnesses:
"'ANDRES LEON.
"'BALTAZAR LUGONES.

"'To which I certify.

"'JUAN DE DROS CARDENAS.'"

[A rubricated sign.]

"It is in conformity with the matriz, to which the undersigned refers if necessary, and delivers the present at the verbal request of the party.

"At Lima, fifth of August, eighteen hundred and seventy-nine (1879).

"Doctor ANDRES TOVAR, *Señor Secretario Sirvare:*

"MR. SECRETARY: Please to enter in your register of public documents a special power of attorney which I, Gelacio Cochet, of this neighborhood, son of the French citizen, Mr. Alexandro Cochet, confer in favor of Señor Don ——— ———, a native and citizen of the United States of North America, so that in my name and in representation of my person, actions, and rights, may exact from the public authorities of France, and especially of the notaries public of Paris, the titles which contain the last desire and will of my said deceased father, Don Alexandro Cochet, according to information which I have received, and with the rights corresponding to me in virtue of the 'certificate of baptism' which I adjoin and which you will please to insert in the body of the present power of attorney, as more binding proof on granting the same. I wish, moreover, that it may have all necessary amplitude, so that my representative empowered can present himself before the French tribunals, and, if necessary, to make arrangements, settle accounts with debtors and creditors and others interested and connected with the testamentary dispositions of my said deceased father, Don Alexandro Cochet, and so that for want of conditions or expressions may not have the legal force, with, moreover, the power of substituting the person or persons he may judge convenient, with relevation of costs in due form. You will please add the clauses of style which insure its validity.

"Lima, eighteenth of August, eighteen hundred and seventy-nine.

"GELACIO COCHET."

"Under the bases contained in the preceding minutes, number nine hundred and ninety-two (992), this power of attorney is conferred with relevation of charges. And I, the notary public, certify that I have complied with articles 735 and following of the judiciary civil code, and that the grantor on granting the same is well posted in its contents, and ratifies and signs the same with the witnesses, Don Mariano de los

Rios, Don José A. Garcia y Don Mariano de Solas, of this neighborhood, whom I also know, Gelacio Cochet, Mariano de los Rios, José A. Garcia, y Mariano de Solas.

"Before me,

"FELIX SOTOMAYOR,
"*Notary Public.*

"In conformity with the original done before me, which is on the six hundred and sixty-eighth (668) page of my register, to which I refer.

"I certify and sign this testimony after having been corrected according to law. Date of power.

"We, the public notaries who sign, certify that the said companion notary who signs, Don Felix Sotomayor, is in full exercise of his functions, and in order that it may have all its effects, we sign the present.

"FELIX VIVANEO.

"Legalized in the Department of the Prefecture, at Lima, 27th August, 1879."

(French legalization.)

Pursuant to this last power of attorney a deputy was sent to Paris to verify the death, intestacy, and solvency of Alexandre Cochet, which he thoroughly did; paying in full the only indebtednes remaining—a sum of something less than 500 francs—and ascertaining from the surviving companions of Cochet's last years many facts corroborative of all that was otherwise already known material to his discoveries and to the sole heirship of his son, Gelacio.

[Private draft memorandum. Return to Jacob R. Shipherd, 10 Spruce street, New York.]

THE PERUVIAN COMPANY.

SUGGESTIONS OF POINTS TO BE INCLUDED IN AN AGREEMENT BETWEEN THE GOVERNMENT OF PERU AND THE PERUVIAN COMPANY.

I.—The government to stipulate:

First. That in 1840 Alexandre Cochet discovered guano within the meaning of the decree of February 13, 1833.

Second. That the Congressional and Executive acts and declarations of 1847, 1849, and 1851 mean this.

Third. That this meaning has never been denied or questioned by the government heretofore, and shall not be denied or questioned hereafter.

Fourth. That Cochet's discovery immediately vested in him a complete title to one-third of all the guano in original deposits in Peru, and that such title was a title to one-third of each separate deposit.

Fifth. That the removal of Cochet's one-third of each deposit by the government, or by its agents, was a tortious conversion, for which Peru, as a responsible agent, is bound to make amends to the owner.

Sixth. That the measure of damages in the premises cannot be less than the value of the converted property at the time of its conversion with interest at six per cent.

Seventh. That the agreed total of these damages, including interest to January 1, 1881, is $900,000,000.

Eighth. That this total shall be capitalized as of that day, and shall bear interest at six per cent. until paid.

Ninth. That payments hereafter made shall be applied first to meet accrued interest, and afterward to reduce the principal.

Tenth. That under the law of contracts of 1845 this indebtedness to Cochet is entitled to prirority over any debt contracted by the government after the passage of that law. Also that all contract obligations created against the government after that date, which might antagonize this priority, must be subordinated to it.

Eleventh. That no payment on account of the indebtedness of the government to Cochet has ever been made, although a grant of 5,000 tons guano in his favor on account of his expenses was once authorized.

And that there is, therefore, now due to Cochet and his legal representatives—

1. The sum of $900,000,000 liquidated damages with interest at six per cent. from January 1, 1881, until paid.

2. One-third of all the guano remaining in Peru in original deposits at the date hereof.

3. The value of one-third of all the guano taken from original deposits in Peru between January 1, 1881, and the date hereof, with interest at six per cent. until paid.

Twelfth. That all the rights of Alexandre Cochet in the premises have been duly transferred to, and are now vested in the Peruvian Company, party herein.

Thirteenth. The government, therefore hereby recognizes, and formally acknowledges, its direct indebtedness in the premises to the Peruvian Company—

1. In the sum of $900,000,000 with interest at six per cent. from January 1, 1881, until paid; and this sum is admitted to be due and payable in full before any indebtedness created prior to the passage of the law of contracts of 1845.

2. In the value of one-third of all guano taken from original deposits in Peru, since the first day of January, 1881, with interest at six per cent. until paid.

Fourteenth. The government also acknowledges the Peruvian Company to be the owner absolute, with title complete in Cochet and his legal representatives since 1840, of one-third of all the guano remaining in the original deposits in Peru, with a perpetual easement of approach and right of access thereto, over all lands and waters since 1840 at any time within the territory of Peru, and the free and unhindered right to hold, use, sell, assign, and take the same and every part thereof, away at the company's discretion without let, hindrance, impost, taxation, charge, or condition of any kind.

Fifteenth. And, whereas, the government is now unable to pay or discharge this large indebtedness or any considerable portion thereof, and by the misfortunes of war is otherwise disabled for the time being, the government cannot now refuse its chief creditor any access to the resources of the country, out of which payment might be made under a just administration directed by the creditor.

Sixteenth. Yielding to the just demands of all interests concerned in the premises, and in the hope that the remaining deposits of guano and nitrate may suffice for the discharge of all its indebtedness under proper administration, the government hereby acquiesces in the proposal of its chief creditor, made in its own behalf and in the interest and behalf of all creditors of the government whose express agent it may in due course hereafter become, to take immediate possession of all original deposits of guano and nitrate which were within the territory of Peru January 1, 1881, and to take such possession of all adjacent lands and waters as may be necessary or convenient to the mining and removal of such deposits, such possession of the deposits and use of adjoining lands and waters for the purposes of this agreement and the proper administration of the trust occupation hereby consented to, during the term of such occupation hereby limited, to be that of the lord of the soil; and the integrity of such possession the government hereby guarantees; the term of occupation to expire upon the full payment of the indebtedness herein recognized as already due, or which may hereafter become due to the Peruvian Company or to any other creditor whose agent or assign the company may hereafter become. The term of one year after such full payment to be allowed the company for the liquidation of its affairs and the withdrawal of its agents from the republic.

Seventeenth. In case the deposits of guano and nitrate shall be exhausted, or shall prove insufficient to pay the interest upon the capitalized indebtedness herein recognized, the company shall be at liberty to propose such other measures, amendatory of those herein agreed upon, as it may deem just in the premises.

Eighteenth. The government guarantees the personal liberty and safety of all officers, agents, servants, guards, and guests of the company within the republic, and recognizes in their favor an unqualified right of entry, residence, and departure at pleasure, subject always to the condition of personal good behavior, and the non-abuse of the national hospitality. Offenses against public order may upon demand of the company be adjudged and punished by an agreed tribunal, or in default of such agreement by the company itself.

Nineteenth. The government will never impose any taxation, direct or indirect, upon the company, nor upon its property or business, nor upon any of its officers, agents, guards, servants, or guests, their property or business; but it may require the company as to any individuals so exempted either to consent to such taxation as might otherwise be imposed under general laws, or else to credit to the government the amount thereof in account current as of the date when it would be due under the law. Such requirement must be duly notified to the company year by year, to be effective, and must include full specifications of the taxes required to be consented to or credited for the year then current.

Twentieth. The company may at its discretion maintain at all times such a force as it may deem necessary for the protection of its property and interests, and this force may include detachments from the land and naval forces of the United States of America and of any other government whose citizens are share-holders of the company, or are recognized creditors of Peru.

Twenty-first. The government consents to the transfer to the company by sale or other assignment of any indebtedness now existing or hereafter arising against the government, which has been duly recognized by the government as a valid claim, and

to the consolidation for the purposes of collection of any claim so transferred with the principal indebtedness herein recognized. Before the transfer of claims which have not been recognized the government reserves the right to demand their contest before and adjudication by arbitrators, or such other tribunal as may be agreed upon.

Twenty-second. The government necessarily consents to the deduction from the gross revenues arising from the working of the resources hereby placed at the command of its creditors, of all expenses of operation, administration, and defense, and demands that the net remainder of such revenues shall be passed to its credit by the company annually in account.

Twenty-third. The government engages to execute at any time hereafter upon request any further memoranda of recognition and definition necessary or convenient to the effectual fulfillment of this agreement according to its true intent.

II. The company to stipulate—

First. To make no demand for payment so long as this agreement shall be observed in good faith by the government and people of Peru, and the net revenue realized by the company under this agreement shall suffice to pay the interest annually accruing upon the entire indebtedness held by the company.

Second. To offer to all other just creditors of the government the company's certificates of indebtedness, bearing interest at not less than three per cent. for the par value, including accrued interest, of all recognized claims against the government existing on the day of the date hereof, and to provide for the annual retirement of such certificates by a sinking fund created by the reservation to its credit of not less than one-half of the entire annual net revenue of the company in excess of thirty millions of dollars.

Third. To deliver annually to the government a certified transcript of the results of the entire business of the company, clearly itemized, and showing in detail the state of the account current between the company and the government.

Fourth. To maintain toward the government and toward the people of Peru an attitude of sincere friendship and good-will, and to use all means to render its temporary residence within the republic not only inoffensive but useful.

Fifth. To enforce upon all its agents, servants, and representatives due respect to the government and institutions of the republic, and unhesitating obedience to its just laws.

Sixth. To maintain, and to enforce upon all its representatives a strict neutrality toward all political parties and interests, domestic and foreign, except only as the protection of the property interests of the company may otherwise require; and whenever such interests may demand the expression of a preference, such expression shall be made in the company's name, upon competent authorization, frankly and kindly.

Seventh. To co-operate heartily with the government and the people in all measures calculated to promote the early restoration of the prosperities of peace and order, and to forward the commercial and industrial development of the republic.

Eighth. To consolidate with the principal indebtedness herein recognized only such claims against Peru as have been duly certified or recognized by Congress or by executive officers of the government.

Ninth. To unite with the government in the measures necessary to an adjudication by arbitrators or by an agreed tribunal of all claims not so recognized in which the company may become interested.

MUTUAL COVENANTS.

First. That no tribunal shall ever have jurisdiction of this agreement or of any issue arising between the parties hereto, except by the prior express consent of both the parties.

Second. That each party shall maintain a resident representative near the executive of the other, duly accredited to such executive, and that the ordinary intercourse of the parties shall be maintained through these representatives according to diplomatic usage.

[Private draft memorandum. Return to Jacob R. Shipherd. 10 Spruce street, New York.]

THE PERUVIAN COMPANY.

PERUVIAN SINKING FUND SCRIP.

First. All recognized creditors to be invited to surrender their claims to the company (by assignment), and to receive in exchange the company's sinking fund scrip for the par face of the claim, including accrued interest to the date of exchange; this scrip to bear interest at four per cent. until paid.

Second. Scrip to be issued in even amounts of $1,000 and multiples thereof, also in any desired fractional amounts, and to be transferable at the holder's election, either by delivery or by registration, and to be payable at the company's principal treasury, in New York, July 1st, 1883, and annually thereafter.

Third. Chili to be recognized among the creditors of Peru, for such a reasonable amount as may be agreed upon between her and the company, and to accept her allottment of scrip in full of all demands against Peru.

Fourth. The company will prefer its share-holders to the extent of three per cent. upon a fixed capitalization of $1,000,000,000 and will pay annually on the first day of April—beginning with 1883—one-half its net income above such three per cent. to the credit of the commissioners of the sinking fund.

Fifth. On the 1st of April, 1883, and annually thereafter, the commissioners of the sinking fund will notify the governments of the United States, Great Britain, France, Germany, Italy, Chili, and Peru, and also the presidents of the leading stock exchanges in each of these countries, and, by advertisement for not less than one month in at least one leading paper in each of these countries, will notify whom it may concern, and by circular through the post will notify separately every registered holder of scrip, of the amount to their credit for the year applicable to the redemption of the company's scrip, and of the time when, the place where, and the terms upon which proposals for the sale of scrip will be received.

Sixth. Such proposals shall be addressed to the "commissioners of the sinking fund of the Peruvian Company," at the company's principal office, in the city of New York, and shall be accompanied with a guarantee draft on New York bankers for five per cent. of the flat face amount of scrip offered by each bidder, payable to the order of the commissioners, to be returned to the bidder immediately after the adjustment of awards.

Seventh. Each bidder shall state the flat face amount of scrip he is prepared to deliver if his bid shall be accepted, and the fixed per cent. of its gross face value, including interest, he is content to receive in full payment therefor; no bids in excess of 100 per cent. to be considered or accepted at any time.

Eighth. The commissioners shall consider in each year only such bids as conform to these specifications, and are received by them on or before the first day of July in that year. On the second day of July, 1883, and annually thereafter—except when this day shall fall upon a Sunday, and in such year upon the third day of July—at noon, the commissioners shall meet in open session at the company's principal office, in New York, and in the presence of any bidders who may choose to be present in person or by duly accredited attorney, shall open, read, and tabulate the proposals received, and immediately upon the conclusion of such tabulation shall award and declare in favor of the lowest bidders a purchase of so much of the scrip offered as the fund at their disposal will suffice to pay for; and the details of such award shall be officially communicated within ten days thereafter to whom it may concern by circular through the post and by advertisement.

Ninth. Payment for scrip awarded will be made by the company's treasurer only upon the certificate of the commissioners.

Tenth. Guarantee checks of successful bidders will be forfeited unless the scrip offered by them shall be presented for redemption within sixty days after the declaration of award. Neither the company nor the commissioners will guarantee the delivery of the notice of award.

Eleventh. With each lot of scrip presented for redemption the bidder must tender a proper release under seal—upon forms to be supplied by the company—setting forth his acceptance of the amount awarded as payment in full.

Twelfth. Interest upon accepted scrip will cease upon the day of award.

Thirteenth. There shall be five commissioners of the sinking fund, who will be paid by the company out of the sinking fund; of these one at least shall be named by the company, and of the others one may be nominated by the Government of Peru, one by the Government of Chili, one by the Government of Great Britain, and one by the Government of France; such nominations to be made annually to the company, and to be subject to its approval and appointment.

Fourteenth. These conditions to be printed upon and to form part of the company's agreement with the holder of each certificate of scrip.

No. 414.

Personal.] *Mr. Walker Blaine to Mr. Shipherd.*

DEPARTMENT OF STATE,
Washington, July 28, 1881.

DEAR SIR: I am just in receipt of your pleasant letter of the 27th instant. With reference to the whereabouts of Mr. Suarez, I have to inform you that the Department has learned that Mr. Suarez was at Panama on the 13th of July, and that he intended sailing that day for Peru, and it is supposed did so.

In regard to the other inquiries in your letter I cannot make answer until after consultation with the Secretary.

I will communicate with you further hereafter, and have meanwhile the honor to be, sir,

Very respectfully, &c.,

WALKER BLAINE.

JACOB R. SHIPHERD, Esq.,
New York City.

No. 415.

Mr. Shipherd to Mr. Blaine.

THE PERUVIAN COMPANY, 10 SPRUCE STREET,
New York, October 10, 1881. (Received October 11.)

SIR: I have the honor to inclose herewith—

1. A printed and sealed official copy of a note addressed to the Hon. J. F. Elmore, minister resident of Peru at Washington, bearing date October 1, 1881, and subscribed by the undersigned.

2. A like copy of a note addressed to the Hon. Marcial Martinez, envoy extraordinary and minister plenipotentiary of Chili at Washington, bearing date October 5, 1881, and subscribed by the undersigned.

The originals hereof are to-day delivered to the * * * counsel of this company at Washington, for immediate transmittal to the respective addresses, and I have therefore the honor to ask that these copies may be placed on file in the Department, and that I may be duly advised that they have been so placed.

I have, &c.,

JACOB R. SHIPHERD,
President of the Peruvian Company.

[Inclosure 1 in Mr. Shipherd's letter of October 10, 1881.]

(Official copy.)

SIR: I am charged with the duty of bringing to the official notice of your excellency the fact that one-third of all the guano lying in original deposits within the territory of Peru on the first day of January, 1841, is now, and for some time past has been, the property of the Peruvian Company, a corporation created by one of the United States, and composed exclusively of American citizens, whose title has duly descended from Alexander Cochet, duly adjudged to have been the first and true discoverer of guano in Peru, and in whom the fee absolute to such one-third was duly vested by the republic by operation of law.

I am therefore further charged to demand, as I now do, in behalf of this owner, due recognition by the existing government of all the rights of the Peruvian Company in the premises as such owner, and the formal release in its favor of all custody, control, claim, and assertion adverse to the title herein asserted, so far as the government and people of Peru are or may be concerned.

I am further charged to demand, as I now do, payment in full, with interest from the date of removal, for so much of the property hereby demanded as may not be found in the place of original deposit when the Government of Peru shall attest the release herein above demanded.

And, in view of the temporary embarrassments of Peru, I am further charged to protest, as I now do, against any and all negotiations and acts tending toward the cession, sale, lease, hypothecation, or other incumbrance or disposition of any property held, owned, or controlled by Peru pending the full satisfaction of the demands herein made and intended.

A copy of this notice and demand will be delivered to the honorable the Secretary of State, at Washington, and a duplicate is herewith inclosed for transmission at your official discretion to His Excellency the President of Peru.

I shall be pleased to supply to His Excellency the President of Peru, upon due request, any further information appropriate to the premises, including all necessary evidences of the title herein asserted, and to designate a commissioner duly authorized to represent the owner in the immediate custody and control of the property hereby demanded.

In conclusion, I beg your excellency to receive due assurance of the distinguished consideration with which I have the honor to remain—

Your excellency's obedient servant,

JACOB R. SHIPHERD,
President of the Peruvian Company.

Dated NEW YORK, *October* 1, 1881.

To His Excellency the Honorable J. F. ELMORE,
Minister of Peru, resident at Washington, D. C.

[Inclosure 2 in Mr. Shipherd's letter of October 10, 1881.]

(Official copy.)

SIR: I have the honor to inclose herewith a copy of a communication heretofore addressed and delivered to his excellency the minister of Peru, resident at Washington. I add also another copy of the inclosure and a copy of this note to be forwarded, at your official discretion, to His Excellency the President of Chili. A further copy of this note will be delivered to the honorable the Secretary of State at Washington.

The immediate and sincerely friendly purpose of this note is to spare the Government of Chili the serious embarrassment which would necessarily follow if the representatives of Chili now in Peru should continue to deal, however inadvertently, with the property of citizens of the United States, as if it were the property of Peru.

And hereupon I am authorized to assure your excellency in no doubtful terms of the readiness of the Peruvian Company to recognize every fact involved in the actual status resulting under the rules of war among civilized nations, from the campaign of Chili now closing, reserving only those indestructible rights of neutrals which even war must recognize and protect.

It is believed that so far from embarrassing or delaying the conclusion of a peace honorable alike to victor and vanquished, and just to all interests to be affected by the adjustment so much desired and as yet so vainly sought, the interests which I have the honor to represent may be so circumstanced as to afford to all parties an immediate and final solution of all urgent problems, and especially may afford the most efficient and substantial guarantees of a long period of peace and prosperity in the immediate future, that peace which tends only to industry and internal content, and indisposes to intrigue and to war.

It may be proper to prevent possible indistinctness that I should specifically point out some of the leading implications of this communication as to the past as well as to the future, and with your excellency's indulgence, I therefore proceed to observe:

First. That this notice of title is unqualified, and may be understood to imply whatever may be implied by an unqualified notice and demand in like premises.

Second. That the Peruvian Company expects Chili to account to it for whatever guano she has removed or suffered to be removed from original deposits in Peru at any time since January 1, 1841.

Third. That the Peruvian Company expects Chili, on and after the day of the delivery of this note and its inclosures to your excellency, to recognize and protect the title herein asserted throughout the territory of Peru so long as the military forces of Chili shall continue therein.

Fourth. That for any failure or refusal hereafter to recognize and to protect the title herein asserted, the Peruvian Company expects to hold Chili directly responsible; and the company will, in such case, rely upon the protection of its own government.

Fifth. It should not be overlooked that so long as the military forces of Chili continue in Peru, the company must require of them directly, and must hold the Government of Chili directly responsible for all the protection, relief, and assistance which but for such occupation it might properly demand of the Government of Peru; and express notice of such requirement is hereby given, together with like notice that for any detention or appropriation of or injury to the property of Peru, the debtor of the Peruvian Company, after the delivery to your excellency of this notice, and pending the full satisfaction of the demands comprised in the memoranda herewith inclosed, the company must and will hold the Government of Chili directly liable in full.

Of course, I am ready to supply to His Excellency the President of Chili, upon due request, all further information appropriate to the premises, including all necessary evidences of the title herein asserted, and to designate a commissioner duly authorized to represent the owners in the immediate custody and control of the property hereby demanded.

Not for a moment doubting the sincere readiness of the government and people of Chili at all times to do justice, and fully confiding in the early and amicable adjustment of all issues herein contemplated, I avail myself of this opportunity to assure your excellency of the distinguished consideration with which I have the honor to remain

Your excellency's obedient servant,

JACOB R. SHIPHERD,
President of the Peruvian Company.

Dated NEW YORK, *October* 5, 1881.

To His Excellency the Honorable MARCIAL MARTINEZ,
Envoy Extraordinary and Minister Plenipotentiary of Chili, at Washington.

No. 416.

Mr. Blaine to Mr. Shipherd.

DEPARTMENT OF STATE,
Washington, October 12, 1881.

SIR: I have to acknowledge the receipt of your letter of the 10th instant, inclosing printed copies of two notes addressed by you, one to the Hon. J. F. Elmore and the other to the Hon. Marcial Martinez, both of which have been placed upon the files of the Department.

I am, sir, &c.,

JAMES G. BLAINE.

JACOB R. SHIPHERD,
President of the Peruvian Company,
10 *Spruce street, New York.*

No. 417.

Mr. Shipherd to Mr. Blaine.

[Peruvian Company, 10 Spruce street, New York. Post-office box 3448.]

OCTOBER 18, 1881. (Received October 20.)

SIR: I have the honor to inclose herewith legal proofs of the due service upon the ministers of Peru and Chili respectively of the demands whereof official copies were transmitted for file in the Department of State with my note of the 10th instant. From these proofs it appears that such service was made at Washington by one Ellery C. Bartlett upon the 13th instant.

I have the honor to request that these proofs may be placed on file in the Department, and that I may be duly advised that they have been so placed.

I have the honor also to inclose herewith copies of these demands for transmission to the American ministers at Lima and at Santiago, in case it shall seem to the Secretary proper that such transmission with or without accompanying instructions should be directed.

I avail myself of the opportunity to acknowledge with thanks the due receipt of your advice, dated October 12, 1881, and remain, sir, with great respect, your obedient servant,

JACOB R. SHIPHERD.

CITY OF WASHINGTON,
District of Columbia, ss:

Ellery C. Bartlett, being duly sworn, deposes and says that on the 13th day of October, A. D. 1881, at the city of Washington aforesaid, he personally served upon his Excellency the Hon. Marcial Martinez, envoy extraordinary and minister plenipotentiary of Chili, the original communication subscribed by Jacob R. Shipherd, president of the Peruvian Company, of which an official copy* is herewith annexed, together with the papers therein mentioned as accompanying the same, and that he made such service by delivery of all the said papers to the said Martinez at the residence of the said Martinez, No. 1400 Massachusetts avenue, northwest in the said city of Washington, and leaving the same with him; and that he then and there knew the person to whom he delivered the said papers to be the said Martinez, and further deponent saith not.

ELLERY C. BARTLETT.

Sworn to and subscribed before me this 14th day of October, 1881.
[NOTARIAL SEAL.] W. F. PEDDRICK,
Notary Public.

CITY OF WASHINGTON,
District of Columbia, ss:

Ellery C. Bartlett, being duly sworn, deposes, and says, that on the 13th day of October, 1881, at the city of Washington aforesaid, he personally served upon his Excellency the Hon. J. F. Elmore, minister of Peru resident at Washington, the original communication subscribed by Jacob R. Shipherd, president of the Peruvian Company, of which an official copy† is herewith annexed, together with the papers therein mentioned as accompanying the same; and that he made such service by delivery of all the said papers to the said Elmore, at the residence of the said Elmore, No. 613 Thirteenth street northwest, in the said city of Washington, and leaving the same with him; and that he then and there knew the person to whom the said papers were delivered, to be the said Elmore; and further deponent saith not.

ELLERY C. BARTLETT.

Sworn to and subscribed before me this 14th day of October, 1881.
[NOTARIAL SEAL.] W. F. PEDDRICK,
Notary Public.

No. 418.

Mr. Blaine to Mr. Shipherd.

DEPARTMENT OF STATE,
Washington, October 22, 1881.

SIR: I have to acknowledge the receipt of your letter of the 18th instant, and of the papers to which you allude as legal proofs of the due

* For inclosure, see inclosure 1 in Mr. Shipherd's letter of October 10, 1881, Document No. 415.
† For inclosure, see inclosure No. 2, in Mr. Shipherd's letter of October 10, 1881, Document No. 415.

service upon the ministers of Peru and Chili, respectively, of the demands whereof official copies were transmitted for file in the Department of State, with your note of the 10th instant.

Your letter and inclosures have been filed as you request.

I am, sir, &c.,

JAMES G. BLAINE.

No. 419.

Mr. Hadden to Mr. Hunter.

THE PERUVIAN COMPANY,
10 *Spruce street, New York, November* 28, 1881.
(Received November 29.)

SIR: President Shipherd directs me to inclose you herewith a copy of a note* forwarded to General Hurlbut by the last steamer; and to say that he caused a set of the printed papers, promised you in a recent conversation, to be forwarded to your address on the 23d instant; which he trusts have already safely reached you.

Very respectfully,

A. HADDEN,
Private Secretary.

No. 420.

Mr. Blaine to Mr. Shipherd.

DEPARTMENT OF STATE,
Washington, December 3, 1881.

SIR: General Stephen A. Hurlbut, our minister to Peru, acting with perfect official propriety, returns to the State Department the letters you have addressed to him in regard to claims against that government in which you profess to have an interest. During the first interview you had with me in August last, I advised you that it was not proper for you to correspond with the American minister in regard to private claims, and that the necessities and courtesies of the situation required a minister to give attention only to such private interests as were submitted to his attention with the sanction and the responsibility of the Department. You indicated your recognition of the fitness of this rule, and your intention of complying with it; and you mentioned the names of several distinguished lawyers, well-known to the country, who would soon proceed to Peru as the representatives of your claims. I promptly gave you the assurance that if any one of the eminent gentlemen named by you should go to Lima on any professional business, he could rely on the courteous attentions and kindly offices of the American minister in his aid. Quoting confidently, as you did, the alleged opinion of my distinguished predecessor, Mr. Evarts, as to the validity and value of the Cochet claim, which you represented, I told you that I would instruct General Hurlbut to examine into its character and make report thereon to me, which duty he faithfully performed. Beyond this you had no right to demand or expect any aid from the State Department, and

*For inclosure, being letter of Mr. Shipherd to Mr. Hurlbut, dated November 15, 1881, see inclosure 4, in document No. 388.

your holding a private correspondence with General Hurlbut was a gross infraction of every rule of propriety. Nothing could more rapidly tend to destroy the character and influence of an American mission in any foreign country than to have it even suspected that it was entertaining and manipulating private claims against that country, aside from instructions of his government.

I have thus far spoken only of your violation of the rules of propriety. I wish, for your sake, I could stop there. But in one of your letters you deliberately make an improper and unlawful proposition to General Hurlbut, offering, as you do, to place a large interest in your claim, subject to his control, in effect offering him a bribe with scarcely an attempt at disguise. For this offense, I deem it my duty to advise you that you can no longer appear as an attorney in any case before the State Department. I shall submit your correspondence to the President with the view of determining whether further notice should be taken of your offense by the Attorney-General.

The only palliation or excuse I can find in your correspondence, is in its extravagant and extraordinary tone, from which it would appear that you are actualy unable to take a sensible and rational view of the claim in which you imagine that you possess so many hundreds of millions of dollars. As your correspondence, in almost every line, seems to be that of a man laboring under a delusion, I am inclined to believe that you may not have properly weighed, and therefore, are not morally responsible for the improper proposals you have made.

I am the more disposed to this view from your inexcusable folly in writing lengthy letters to General Hurlbut, informing him of the views of the State Department in regard to your claims. The business of the State Department is to communicate its own views to United States ministers abroad, and your assuming to give any assistance on the subject would have been a piece of presumption even had you written the truth. But under some indefinable hallucination you communicated, as the views of the Department, these extravagant and absurd stories, which, as I have recently learned, you have been talking to every man that would listen.

I find another evidence of your delusion in the list of names you give as being already associated, or about to be associated, with you in the prosecution of these claims. Your list embraces the names of some forty or fifty of the most eminent capitalists of New York, and among your alleged attorneys are some of the most distinguished of the American bar. I shall be surprised to find that any one of these gentlemen ever authorized you to use his name any more than I authorized you to present your claim to General Hurlbut.

I have written at this length in order that you might be made acquainted with the reasons which may induce the government to refrain from prosecuting you for an attempt to bribe a public official, as it might otherwise consider it to be its duty.

I am, &c.,

JAMES G. BLAINE.

No. 421.

Mr. Shipherd to Mr. Hunter.

NEW YORK, *December* 5, 1881. (Received December 9.)

SIR: I inclose for your information a copy of a letter received by the last steamer. The writer is the *alter ego* of President Calderon, and a letter by the preceding steamer explained—

1. That the claim and plans of the Peruvian Company had been for several weeks under careful consideration by the Peruvian Executive.

2. That an examination of the archives had verified all the material historical facts upon which our claim rests.

3. That General Hurlbut cordially favored our plan.

4. That the only question seemed to be whether the discoverer of a *value* had as much equity as the discoverer of a *heap*.

5. That at the conference fixed for the 6th a final answer to our demand was to have been decided on.

What that final answer was likely to have been, in the judgment of Mr. ———, seems to be intimated in the words I have underscored near the close of his letter. As soon as we are definitely advised of the tenor of the dispatches sent out on Saturday, we shall see our way clear to another step.

I am, &c.,

JACOB R. SHIPHERD.

[Inclosure in Mr. Shipherd's letter of December 5.]

*Mr. * * * to Mr. Shipherd.*

LIMA, *November* 9, 1881.

ESTEEMED SIR: By the last mail from Panama I received your letter which, by advice of your friends, you have addressed to me under date 5th of October last, developing the vast financial plan which the Peruvian Company proposes to realize.

I regret to state to you in reply that having placed myself in accord with his excellency, the Provisional President of the Republic, for a conference which was to have taken place at 12 o'clock noon of Sunday, the 6th instant, with the object of showing to him as well your opinion as the documents and other papers which accompany it, a new outrage upon Peru, doubtless the greatest of the Chilian domination among the episodes of the state of war in these latter times, absolutely frustrated the conference agreed upon.

The telegraph and later the correspondence which the mail will carry from this country to the United States will inform you of the unheard of act carried out with surprise and daring.

The Chilians having taken possession, in the morning of Sunday, the 6th instant, of the person of the President of Peru, conveying him at once and in an express train to Callao, and afterwards depositing the prisoner on board the iron-clad Lord Cochran, which sailed twenty-four hours later, for unknown parts.

I omit all commentary upon the enormity of the abuse committed by the implacable conqueror upon the chief of a government of order established by the nation precisely for the purpose of celebrating and cementing peace with Chili upon just bases, and who had just been recognized and proclaimed by the great territorial sections of the north and south of the Republic, and by the armies garrisoning the same.

Chili does not consent to the consoliation of any serious and stable government in Peru. She wishes to divide her and anarchize her more and more each day, in order to carry out with impunity the public and private international robbery, which she has undertaken, and which Christian and cultivated nations tolerate with impassibility, without remembering that transgressions committed upon the laws of nations constitute teachings and precedents to be cited as authority whenever the abuse of the strong desire to oppress and disunite to-day one nation, to-morrow another, in continual rotation upon all weak people, or those who may arrive to be weak in any occasion or circumstance.

The fact is that the deed carried out has rendered impossible the conferences to which I above alluded, and renders the action with which you have charged me in your letter inopportune until public affairs are placed back again in the path which in my opinion only the Government of the American Union can enable us to reach by hastening events and thus vindicating their traditional policy.

For this there is an opportunity offered by the continuation of the constitutional regimen of the Vice-President elected by the National Congress in last August, Rear-Admiral Don Lizardo Montero.

The latter will assume the command the moment the news of this infamous outrage shall reach him, and it is evident that by lending to him a strong hand on the part of the Government of the United States we may arrive at the desired solution of all the questions of the war and at the restoration of internal order.

Whatever you and your friends may do in this sense will be a benefit to Peru *and the victory of your own plans.*

I trust that you will let me know opportunely what action in this direction may be expected.

I have, &c.,

* * *

No. 422.

Messrs. Montferrand and Suarez to Mr. Evarts.

WILLARD'S HOTEL,
Washington, January 17, 1881.

SIR: We have the honor to inclose you our letters of credence from the "Société Générale de Crédit Industriel et Commercial," and, at the same time, a letter of introduction from Ed. Noetzlin, esq., one of the directors of the Banque Franco Egyptienne.

Waiting your pleasure as to an interview, we take the occasion to subscribe ourselves, with the most respectful consideration, your obedient servants,

CH. DE MONTFERRAND.
FRANC'O. DE P. SUAREZ.

Mr. Durrien to Mr. Evarts.

[Translation.]

[General Society of Industrial and Commercial Credit, 66 rue de la Chaussée d'Artin and 72 rue de la Victoire.]

PARIS, *December* 29, 1880.

SIR: We have the honor hereby to accredit to you the Count de Montferrand and Mr. F. de P. Suarez, whom we have instructed to go to Washington for the purpose of coming to an understanding with you in relation to the part to be taken by us in the financial or commercial arrangements which may be the consequence of the mediation of the United States Government between Peru and Chili.

Be pleased to accept, Mr. Secretary of State, the assurance of our highest consideration.

H. DURRIEN, *President.*

Mr. EVARTS,
Secretary of State for Foreign Affairs, Washington.

No. 423.

Count de Montferrand and Mr. Suarez to Mr. Evarts.

WASHINGTON, D. C., *January* 20, 1881. (Received January 21.)

SIR: The undersigned, representatives appointed by the Société Générale de Crédit Industriel et Commercial to the Government of the

United States to offer certain financial propositions in order to facilitate the restoration of peace between the republics of Bolivia, Chili, and Peru, and at the same time to protect the financial interests of the last-named republic and of her creditors, most respectfully submit the following for your consideration:

That the United States should again tender her friendly mediation to the above republics as she has done on two previous occasions, actuated by the desire to protect her sister republics in South America, in the cause of humanity, to prevent bloodshed, and to promote the commercial interests of the southern continent. In doing so, we cannot more aptly express our views, than to quote the words of one of the representatives of your government at the late conference (Minister Osborn), who stated at the opening of the conference:

That the Government of the United States feel a deep interest in the welfare of the three belligerent nations; and it could not be otherwise, since the United States inaugurated in America the republican system, being, therefore, responsible for the existence of republican institutions. It was the first to recognize the independence of these republics, and it has watched with great solicitude from that day to the present the efforts made by them to maintain themselves up to the level of the progress of civilization, rejoicing with them at their advancement and their prosperity. We know, to-day, republican institutions are put to a test before the whole world, and the nations here represented have an equal interest with us in maintaining these institutions and making them a success. The United States naturally deeply deplore the existence of this fratricidal war, and wish a prompt termination of the same. Such is the feeling which has inspired the attitude assumed by the Government of the United States, and it entertains the sincere hope that before this conference will close there will be secured an honorable and everlasting peace between your governments.

We beg to state what we understand to be the conditions existing between these countries in consequence of treaties heretofore existing between Chili and Bolivia as to the right of Chilians to carry on their manufacturing pursuits within the Republic of Bolivia, and to be free from internal taxes, fines, and imposts on the part of Bolivia. The Republic of Bolivia denied that her treaty obligations made any such exemptions from such taxes. This was followed by an appeal of Bolivia to Peru for protection under an existing treaty between the last two named governments. Thus these three republics without calm deliberation became entangled in what may be termed a fratricidal war, which, like all fratricidal wars, has gone beyond the limits of humanity and civilization; hence a strong appeal is made to your government for interference. We find that women and children are outraged and murdered, while the men are massacred even when they are prisoners. Under these circumstances we make a positive appeal to you to interfere, and to require a cessation of these hostilities, the more especially as this can be done with self-respect to all the parties, and on such terms as we believe we are able to submit for your consideration.

The European world has, in this particular instance, with surprising unanimity, recognized the Monroe doctrine, and not only looks to the United States to interfere, but has on every occasion, when the matter has been submitted for its consideration, urged that your government should act; and it will always be a proud page in your government's history that it has on two previous occasions tendered the olive branch. Again the appeal comes, and we beg that you will show your wonted sympathy for the weak and protection to all, and to tender, nay, more, to insist, so far as it is becoming, that the mediation of the United States shall be accepted.

As above stated, we are here to offer, under your sanction and protection, that necessary financial aid which the conqueror and the conquered will demand and require. These republics have undoubtedly crippled

all their financial resources, and Chili to-day is compelled to look to the territory of Peru, which she forcibly holds, to remunerate her for her expenditures and losses. Within the last few months she has undertaken to reimburse herself by a financial contract entered into with an English company, entitled "The South Pacific Guano Company," limited, of London, by which contract the said company agrees to pay to Chili a royalty of £1 and 10 shillings per ton for the guano that it may obtain from the territory of Peru forcibly held by Chili. The demand for guano in the civilized world does not average four hundred thousand tons per annum. Assuming, under this contract, that Chili would be able to supply fifty per cent. of the market through the said company, her revenue would amount to about £300,000 annually, while, on the other hand, Peru would to the same extent be deprived of this revenue. The terms which we propose would almost double the amount that Chili would receive by holding the territory in question; while, on the other hand, Peru would receive an equal amount to meet her national expenses and further to compensate her for the extraordinary drain that has been made upon her resources in consequence of the pending war.

The proposition which the Crédit Industriel makes has been submitted to you by Mr. Robert E. Randall, together with the correspondence which has passed between that gentleman and Mr. Guillaume, the chairman of the Peruvian bondholders' committee, and we request that the same be attached hereto as a part of this communication.

The Crédit Industriel, you will observe, agrees to pay Chili and Peru, respectively, according to the proposition herein referred to, £550,000 per annum for a term of years to be agreed upon. This will justify a loan sufficient to cover the war indemnity demanded by Chili of £4,000,000 sterling, and leave to these respective countries, sufficient to meet all legitimate national obligations. The Crédit Industriel agrees to obligate itself at the same time to arrange with the Peruvian bondholders the indebtedness held by them, amounting, principal and interest, to upwards of £45,000,000 sterling, without they being compelled to look to Peru, and in return, the Crédit Industriel simply requires that Chili shall surrender the conquered territory of Peru to Peru, subject to a protectorate of the United States, guaranteeing to the Crédit Industriel the free and unobstructed shipment of the deposits of the said territory, to wit, the guano and nitrates, for the same term of years. The Crédit Industriel will further agree to pay annually to the American Cable Company, between Panama and Lima, an annual appropriation of £60,000 sterling.

The above is our object and our understanding of the financial interests of the said republics, and the execution of the proposed scheme, presented as it is by the Crédit Industriel, will afford a sure guarantee for the maintenance of the peace, as it will create between these republics a common interest, by placing their great source of common wealth under the management of an institution of high standing and repute throughout the world.

We were advised by the Crédit Industriel that she has used her best efforts to ascertain the views of the governments of Europe as to the present proposition, and we believe that we are not going beyond the bounds of propriety when we state that the mediation of the United States will be acceptable to and supported by the Governments of Holland, Belgium, Italy, France, and Great Britain. With the exception of Italy, the subjects of the above governments are, with the citizens of the United States, to a limited extent, the holders of the entire Peruvian debt, and, therefore, are directly interested in the favorable ac-

tion by your government on the proposition which we now have the honor to submit to you. We ask that you will exercise that same inherent right claimed by this government since the time of President Monroe, that, while the United States will not permit the interference of any European power on the American continent, she would at the same time exercise, if necessary, a protectorate over all governments and countries on this continent.

The subjects of Holland, Belgium, and France represent over one-half of the bondholders of Peru, and are the customers of two-thirds of the guano and nitrate shipped to Europe, France using herself quite fifty per cent.; the balance of the bonds are held in Great Britain. The retention of the guano and nitrate deposits of Peru by Chili would render those bonds valueless, since Chili has already given notice that she is not responsible for the engagements of Peru, and that the same must be the subject of consideration after the termination of the war. The European governments could not then interfere, the subject-matter being a commercial transaction unsupported by treaty obligations. It is clear that the above governments would rejoice and second, if necessary, the intervention of the United States, and we are informed that Great Britain has so advised your government. The terms of peace submitted by the Chilian commissioners at the Arica conference demonstrated that the intention of Chili was a desire to destroy the political equilibrium of the South American states and destructive to Republican institutions. The retention by Chili by force of arms of the territory of Peru cannot insure peace, nor will it aid the cause of civil progress in those countries. The contrary would result; it would bring about continuous troubles and bloodshed between these republics, that must ultimately compel a European intervention similar to the one in Mexico, and probably complicate your government. European powers could not remain indifferent to the sufferings and ruin of their subjects and the paralyzation of industry and commerce.

We beg to call your attention that when Spain attempted, in 1865, to reclaim her former authority over the territory of Peru, the United States promptly and firmly declared that she would not consent to the dismemberment of Peru. One of the reasons given at that time by the United States against the occupation of the guano Islands by the Spanish forces was that the guano was pledged to the payment of the national debt of Peru, and the same question is now presented. Chili claims a right to hold the guano and nitrate territories of Peru, which are pledged to the payment, principal and interest, of said debt.

We desire further to call your attention to the fact that even previously the United States interfered to re-establish peace between Spain and her ancient South American colonies before and after the bombardment of Valparaiso and Callao, and brought about the convention signed at Washington by the belligerents. These results were obtained under the auspices and friendly exertions of the United States. We must now be permitted to express the hope that, in your judgment, this is a fit occasion for a similar interference on the part of your government, which is the natural protector of liberty and promoter of civilization in the New World.

The Crédit Industriel entered into a contract with Peru, executed at Paris on the 7th of January, 1880, under which contract it undertook to manage and work the guano and nitrate deposits on behalf of the Peruvian creditors. That contract is to-day binding. On this point we

submit the opinions of Messieurs E. M. Underdown, John Holker, E. Macnagthen, P. Jozon, H. Dubuit.

The Crédit Industriel is prepared to fulfill her obligations under the protection of the Government of the United States, who will be the international trustee.

The proposition which we submit we deem to be the only practical solution of this South American conflict.

It is the only one which will satisfy the belligerents, protect the interests of their creditors, and secure a lasting peace without injustice or dishonor to any one.

We submit that *time* has become a vital question.

The Chilian arms surround Lima. Any hour we may hear of a decided battle. If Lima falls or the Chilians should be repulsed the moment will then have arrived for mediation; to be on the spot at that moment becomes imperative. If you should determine to make another effort to secure peace between these sister republics it is essential your representative should proceed without delay to South America. We are prepared, as the authorized representatives of the Crédit Industrial, to accompany the commission and submit its financial propositions.

We remain, sir, with great respect, your most obedient servants,

C'TE DE MONTFERRAND.
FRANC'O DE P. SUAREZ.

Documents annexed to the foregoing communication.

(1.) A letter to the president of the "Société Générale de Crédit Industriel et Commercial," dated the 1st April, 1880, by the presidents of the French, Belgian, and Dutch-Peruvian bondholders' committees.

(2.) The reply to said letter by the president of the "Société Générale de Crédit Industriel et Commercial," dated the 6th April, 1880.

(3, 4, 5.) Legal opinions of Messieurs E. M. Underdown, John Holker, E. Macnaghter, P. Jozon, and H. Dubuit.

(6.) The contract, of the 7th January, 1880, executed at Paris, between Peru, by her authorized representatives, M. M. Juan, M. de Goyeneche, and Don Francisco Rosas, and the Crédit Industriel by M. Henri Durrien, president.

[Inclosure 1 in No. ——.—Translation.]

Mr. President of the Société Générale de Crédit Industriel and Commercial, Paris.

Mr. PRESIDENT: Replying with pleasure to the initiative of the French committee, your society has been pleased to tender its aid to the project for regulating the Peruvian bonds, and to this end you have entered into negotiations with Messrs. Rosas and de Goyeneche, which have resulted in the contract of the 7th January last.

This contract is the first which assured, in a possible manner, and in a definitive way, service of the Peruvian bonds. That is why all the committees of the continent have adhered to it not only without hesitation, but with the consent of all. Under other circumstances Peru would never have consented to the abandonment of its pledge, above all, irrevocably.

On the other hand, this agreement respect all the rights of third parties, and principally those which have been consignees of the guanos of Peru since these last were always complaining of the partiality of the Peruvian courts, hereafter in the settlement of their differences can address themselves to judges of their own countries, and if they have nothing unjust to demand, we cannot understand how they can be suspicious of the courts of their own countries.

Unable to explain, by reasons which are avowed, whether by what took place in the meetings at London, or the scandalous contract signed at Lima by the Dictator Piérola, and an agent of the house Dreyfuss; unable above all to establish that the contract of the *Crédit Industriel* is not both for the creditors of Peru and Peru, the most honest and the most advantageous which was ever made, the interested adversaries

of this agreement propagate doubts as to its validity, pretending that the powers of the commissioners who signed it were revoked or rightfully annulled by the coming into power of a new government.

Undoubtedly the facts, the official documents, and the Peruvian law itself show that these reports are without foundation; but the silence and inaction of the *Société of the Crédit Industriel* has allowed them to be propagated and to alarm those whose interest we represent.

It is with this view, sir, that we ask you to answer the preceding observations by a letter, which we propose to publish, in order that our shareholders may partake of the confidence which we ourselves have, and which results from our frequent interviews with you.

Please accept, Monsieur le Président, our sincere salutations.

Paris, March 30, 1880.

A. GUILLAUME,
President of the French Committee Peruvian Bondholders.

Antwerp, March 31, 1880.

LOUIS GODDERIS,
President Belgian Committee of Peruvian Bondholders.

Amsterdam, 1st April, 1880.

A. L. VIERFBAIN,
President of the Dutch Committee of Peruvian Bondholders.

[Inclosure 2 in No. —.]

[Société Générale de Crédit, Industriel and Commercial, 66 rue de la Ch'll d'Antin, et 72 rue de la Victoire.]

PARIS, 6*th April*, 1880.

To Messrs. the Presidents of the French, Belgian, and Dutch Committees, for the protection of Peruvian creditors now in Paris:

GENTLEMEN: We answer your letter which you did us the honor to write to us on the 30th ultimo.

If the contract, which we signed on the 7th January, 1880, with the commissioners of the Peruvian Government, has not yet been carried into execution, that raises no doubt, on our part, of its validity or of the rights which it confers upon us. The circumstances under which this treaty was concluded, and the opinion of gentlemen of the highest authority, both in France and in England, do not permit us to have any doubt on this subject.

But you know the complications of various kinds which have, until the present time, paralyzed our efforts.

Under these circumstances we can only reaffirm our intention to maintain our contract in the conditions in which it was concluded.

Furthermore, we do not doubt that, enlightened by the events which are taking place, as well in Chili as in Peru, the creditors of the latter state, to whatever nationality they belong, will soon rally to you, which will facilitate the accomplishment of the work which we have undertaken.

Accept, gentlemen, the assurances of our distinguished consideration.

Société Générale de Crédit Industriel and Commercial.

Le President:

H. DURRIEN.

Inclosures Nos. 3, 4, and 5 are legal opinions of English and French lawyers as to the reliability of the contract which, in view of the extent and magnitude of these papers are not forwarded. It is not supposed in the Department that they are important; but if desired they can be copied and sent at a later day.

Inclosure 6 is the contract between the Government of Peru and the Société Générale de Crédit Industriel et Commercial, dated January 7, 1880, and the annexes thereto. The documents are long and in the Spanish language, and to print them in full would delay their presentation. If it is desired to have them in full there is no objection to their publication. The substance of the documents is as follows:

Contract concluded at Paris, January 7, 1880, between the supreme government of Peru and the Société Générale de Crédit Industriel et Commercial, for the definite adjustment of the Peruvian foreign loans of 1870 (6 per cent.) and 1872 (5 per cent.).

The preamble shows that—

1st. A contract signed at Paris, May 12, 1870, with Dreyfus Brothers & Co., floated a loan of 280,000,000 francs, guaranteed by guano sales.

2d. A like contract, of Lima, July 7, 1871, created a new loan of £36,800,000, with a like guano-sales guarantee, and also a *mortgage* on the guano beds themselves and a guarantee of all present and future revenues of the Peruvian Government. This was known as the loan of 1872.

3d. The holders of these two issues of bonds "have the absolute right to exact the effective delivery of those securities, and especially of the guano and nitrate deposits, if the debtor state default."

4th. Various laws and decrees of Peru, of which the dates are cited, recognize these rights.

5th. The loans of 1870 and 1872 have been in default since July 1, 1875.

6th and 7th. Attempts to compromise these debts by a new arrangement have failed.

8th. Peru is anxious to restore her impaired credit.

9th. That the proposal for a new arrangement, made in 1876, is still open, especially as the guano company has failed in its duty to the Peruvian Government by not honoring its drafts.

Therefore, these conclusions are reached:

1st. That the guano and nitrate deposits must be worked to extinguish the debt.

2d. That the present contract is not intended to give the bondholders the right of working the deposits, but simply to fix the conditions of working the same, provided (*a*) that the State pledges the irrevocability of this contract, and (*b*) that existing guano and nitrate contracts are not to be modified without the consent of the bondholders.

3d. That the most satisfactory basis of a settlement is the assured participation of the creditors in the results of the working of the deposits.

4th. That as this needs capital, a society for working the beds is to be created as a stock company, to execute this contract.

5th. That this arrangement is conformable to the already expressed wishes of the bondholders.

The first title of the contract regulates the conditions of working the guano beds by the special *société* to be formed, &c. All deposits discovered or to be discovered in Peruvian territory are comprised in this contract. Eighty per cent. of the net profits of the *société* to be divided among the bondholders; £2 per ton extracted to be paid to Peru, and not less than 200,000 tons to be extracted annually. Peru is also to receive £2 worth of bonds of 1870 and 1872, for each ton shipped. These are to be monthly payments, estimated on the returns of the previous year; and if exportation is prevented for any cause this payment is not to be made. The *société* to begin operations at once: choose the beds it will work, and mine and ship by its own agents. The government may inspect the shipments and confirm the correctness of the company's operations, all expenses to be borne by the company. The Peruvian Government to supply proper customs facilities for guano vessels arriving in ballast or with cargo at any selected point of operations. No export tax to be levied. Any loss of cargo by wreck, &c., to be borne by the company; but it may export equal cargoes afterward without paying Peru for them. Sales to natives of Peru to be made by the company; the government, however, to share in all money paid therefor in excess of £12 10*s.* ($62) per ton. The company is to monopolize the European trade in guano, and may also take any other trade not already covered by contract with subjects of non-European States. Any extraction of guano except by the company, to be regarded as robbery, and penally punished on conviction. All questions affecting the execution of the contract and not directly concerning the government to be decided by the courts where they arise; but suits by third parties relative to possession of the active beds, or abandoned beds, can only be heard in European courts (article 23). The Dreyfus contracts are transferred to the *société*, and the *société* is to respect all rights thereunder.

The second title of the contract regulates the exportation of nitrates, as follows:

The company to be organized by the Crédit Industriel is to occupy and work all deposits belonging to Peruvian Government, but to respect existing rights specifically guaranteed by the nitrate beds. The conditions of working are essentially as with regard to the guano deposits. The *société* to pay Peru £2 in cash for each ton sold, and, besides this, one-half of all excess above a selling price of £16 per ton. When existing saltpeter certificates are paid off, the government is to receive an additional £2 in bonds of 1870 and 1872 for each ton sold. The annual production of nitrates not to be less than 100,000 tons. There being private nitrate beds in Peru not embraced in this contract, all private shipments are to endure a gravamen of 1.25 soles (about $1) per quintal (the present export duty), but the *société* has no export duty to pay. The *société* is to

collect the export duties on private guano, and retain fifty per cent. thereof after deducting five per cent. for expenses. (These conditions are equivalent to a complete prohibition of private exportation, especially as Peru engages—article 41—to procure the enactment of a law raising the export duty to 2 soles (about $1.60) per quintal.)

Title 3.—The contract is to run from its date, January 7, 1880, and to expire when the last bond of 1870 or 1872 is cancelled. Foreign powers to be notified by Peru of the conclusion of this contract. So soon as the special guano and nitrate company provided by this contract is organized, the Société de Crédit Industriel et Commercial is relieved of all responsibility flowing from the contract.

Signed by F. Rosas and Juan M. de Goyeneche, on behalf of Peru, and by H. Durrieu, on behalf of the Société Général de Crédit Industriel, &c.

CONDITIONS.

Appended to the contract are the constitution and by-laws of the special society or company formed under the contract with the Crédit Industriel. Its title is "Société des Guanos et Nitrates du Péron" (Guano and Nitrate Company of Peru), with headquarters at Paris or London. Capital, 100,000 shares of 500 francs each per —, or $10,000,000. In addition it is to issue bonds to the value of $80,000,000, which are to be distributed pro rata among the holders of the existing Peruvian guano or nitrate bonds. A sinking fund is to be provided, and surplus revenue to be annually distributed among the Peruvian Government, the Peruvian bondholders, the stockholders of the company, and the sinking fund, in fixed ratios. The company reserves very general powers in its administration and working the deposits. The Peruvian bondholders are to name a supervisory committee, to examine the books of the company quarterly. The Peruvian Government may also send special agents as inspectors. And, lastly, the rights of Peruvian bondholders, who do not exchange their bonds for the bonds of the company, are to be denied, under the sole responsibility of the Peruvian Government. These by-laws, &c., are dated January 7, 1880.

A supplementary pamphlet, called "Annexes," publishes a number of official documents concerning the action of the Peruvian Government and the institution of the company. These are:

1st. The full power, given by Acting President La Puerta, of Peru, to Francisco Rosas and Juan Mariano de Goyeneche, to conclude the contract, dated Lima, October 13, 1879.

2d. The full text of the Dreyfus contract of May 19, 1870, under which the 6 per cent. loan of 1870, 298,000,000 francs in all, was negotiated.

3d. The text of the general guarantee printed on the bonds of 1870, whereby it was made a preferred obligation, to be met by the products of the guano deposits, and by the capital and revenues of Peruvian railways, and the customs revenues of Peru.

4th. The text of the Dreyfus contract of July 7, 1871, under which the 5 per cent. loan of 1872 was negotiated.

5th. A memorandum, undated, setting forth the resources of Peru to meet the loan of 1872, signed by Meliton Porras.

6th. The text of the general guarantee printed on the bonds of 1872, mortgaging all the guano itself existing in Peru, and all government sales of guano. Dated January 1, 1872.

7th. The Peruvian decree of November 14, 1873, which among other things pledges absolutely all the guano in Peru as a guarantee for the loans of 1870 and 1872, and authorizes the holders of these debts to take possession of them.

8th. Declaration made by the Peruvian Government to the Peruvian legislature in 1874.

9th. Diplomatic circular of January 11, 1876, concerning the Peruvian foreign debt, signed by Juan Ignacio Elguera.

10th. Extract from the nitrate contract of 10th July, 1870, between the Peruvian Government and the La Providencia Bank, prescribing the conditions under which the bank was to control the production, sale, and exportation of nitrates found in the deposits belonging to the State.

[The following is the correspondence between Mr. Guilluame, chairman of the Peruvian bondholders' French committee, and Mr. R. E. Randall, and referred to in this correspondence, and made a part thereof.]

causing to be settled, by a special company, which we will organize for this purpose, the interests of the Peruvian creditors, in conformity with the said agreement of January 7th, and with your programme, of which it is the reproduction.

Nevertheless, it is well understood that if modifications were to be made during the course of negotiations these modifications should first be submitted to our "société" which signed the agreement of January 7, 1880.

We authorize you to communicate the present to Mr. Robert E. Randall, in reply to the dispatch sent by him to you by the electric cable—dispatch which reached you the 25th instant, and which we authorize you to answer in the following terms:

"Bank writes to declare officially that it is ready to carry out as far as it may be concerned programme sent you. Letter follows."

Please receive, sir, &c.
The president.

Z. DURRIER.

Mr. GUILLUAME,
President of the Committee of the Holders of Peruvian Bonds.

No. 424.

Count de Montferrand and Mr. Suarez to Mr. Evarts.

WASHINGTON, D. C., *February* 1, 1881.

SIR: In compliance with your wishes on cablegram advices from Robert E. Randall, esq., the attorney and counsel of the Société Général de Crédit Industriel et Commercial, we are here to arrange with you a feasible settlement of the existing war between the Republics of Peru, Bolivia, and Chili.

The documents which we have had the honor to place in your hands accredited us as the representatives of that *société* to offer the terms and conditions contained in the programme transmitted to you by that society through the above-named gentlemen.

In our judgment that offer is the only one which will permit a practical and immediate solution of the South American difficulties on just and equitable terms to all parties. We see no other mode to secure an honorable and lasting peace.

The right of conquest which Chili claims to exercise can only lead to ever-recurring fratricidal struggles, marked by outrages, reprisals, and bloodshed. Wide-spread anarchy among the South American republics must inevitably ensue.

We learn that the Government of Great Britain has heretofore urged the mediation of the United States between the belligerents, Peru, Bolivia, and Chili; and now we, the representatives of the continental creditors of Peru, follow Great Britain in urging the United States again to enter on a prompt and effective mediation.

Since we had the honor to address you on the 20th of January Lima has been captured. When the details of that gloomy event come to hand we shall no doubt learn of outrages and wanton destruction which will call down upon them the condemnation of the civilized world.

But the capture of Lima will not end the war. Peru will continue to resist. It will not submit to the dishonorable terms Chili would impose, as developed at the Arica conference—the dismemberment and annihilation of two sister republics. We take this occasion to assert that the success of the Chilian policy, instead of insuring peace and prosperity, will retard and endanger the progress of republican insti-

tutions on the South American continent, and we submit, with all respect, that your government has now the opportunity to foster and protect these institutions with the consent and approval of Europe.

As you stated in our first interview, we agree the moment has arrived for intervention. "Lima has fallen," and no time could be more propitious for the United States to interfere and secure beneficial results to its trade and commerce.

While on this subject allow us to quote the views expressed by E. L. Baker, consul at Buenos Ayres, in speaking of that republic:

Our interests in the political prosperity of the South American republics, nearly all whose foreign business associations are now monarchial instead of democratic, should prompt us, if possible, to bind our own to the republics of the River Plate, by the strong bonds of a mutual reciprocal trade. Commerce is the great civilizer and political missionary of the world; and the ideas and methods by which the United States have advanced to their present commanding position among the nations of the earth, if brought into closer contact and communion with this country, could not fail to act and react most favorably upon its commercial, industrial, and political destinies. In no other way could we better spread and propagate the principles and ideas which have built us up as a great nation than by the secret, silent influences of a closer and more intimate intercourse.

All of which is far more pertinent to the west than to the east coast of South America.

We are prepared, as heretofore stated to you, to accompany a commission of the United States to the belligerents to aid in securing the success of your government's intervention in behalf of peace, for we believe, in such event, we will be able to adjust the financial difficulties existing between those hostile governments. We deem it proper and important to declare emphatically that this offer rests on the guarantees of a powerful financial association, whose negotiations are coextensive with the commercial world. The "Société Général de Crédit Industriel and Commercial" is fully able to execute all existing and any possible future contracts between the belligerents themselves or between them and their creditors. The "*société*" is ready to proceed, and only waits the action of your government.

We therefore respectfully request the proposed mediation of the United States shall receive your prompt attention, and that you will at the earliest practicable moment signify to us in writing your determination, so we may be able to communicate the same to our principal.

We avail ourselves of this occasion to renew to you, sir, the assurance of our most distinguished consideration.

CH. DE. MONTFERRAND.
FRANCO. DE P. SUAREZ.

No. 425.

Mr. Suarez to Mr. Evarts.

WILLARD'S HOTEL,
Washington, February 9, 1881.

SIR: I beg leave to address you on the present occasion not so much in my official capacity as delegate of the "Crédit Industriel," but as an American who has at heart the proper influence and supremacy due to the United States among the nations of the New World.

This is the main reason which has led me to advocate the idea embodied in the programme of the "Crédit Industriel," inducing the foreign creditors of Peru voluntarily to place their interests under the guardianship of the Government of the United States.

The Monroe doctrine is recognized as constituting one of the fundamental principles of the American international policy. It follows, therefore, that the Government of the United States is bound to protect foreign interests against the fatal consequences brought forth by the internal convulsions and the unsettled political condition which, unhappily, have ever been the lot of the ancient Spanish colonies. Otherwise the Government of the United States would not be justified in protesting, under certain circumstances, against a direct action of the European powers for the protection of the rights and interests of their own subjects.

You must be aware that much is to be done to secure to the United States that political and commercial control which its position should command in South America. To the present moment European influence has controlled those commercial relations, as well as being an important factor in their State affairs.

No one can appreciate more readily than yourself the accuracy of my views, as the ideas they convey are but a mild expression of your own foreign policy.

These ideas you have had the high satisfaction to enforce by your treaties with China and with Japan.

Yet their success in South America is far more important to the interests of the United States, specially at this moment, when the effort is being made to cut a canal across the American isthmus under European financial control.

I agree with you that the actual state of affairs in South America affords to your government a most brilliant opportunity to inaugurate a most desirable international policy between the United States and its sister republics.

More, you agree with me that the programme submitted to you by the "Crédit Industriel" constitutes a most important element to bring about peace and concord among the belligerents, but you are certainly aware that the financial and commercial aid tendered by the "Crédit Industriel" will be of no avail if it is not properly offered to them under the auspices of a great friendly power, ready to meditate and adjust their mutual claims on just and equitable terms, such as stated in the programme referred to, and if necessary, to assume the high position of international trustee.

The Government of the United States will not assume any serious responsibility, since the responsibility will be confined to a mere guarantee to the interested parties that it will not permit the slightest violation of the programme submitted by the "Crédit Industriel," and to that effect the Government of the United States will have the right to appoint an official comptroller.

The adoption of such course would be most creditable, and would receive the immediate indorsement and cordial support of European powers to the satisfaction of the creditors. The spontaneous appeal of the Peruvian bondholders virtually involves the recognition of the Government of the United States as the natural protector of European interests in the western hemisphere, it involves in fact the full recognition of the Monroe doctrine without passing through the long, unsafe, and tangled channels of diplomacy, and further it will practically aid to put an end to the latent political antagonism existing between monarchical Europe and republican America.

As it has been fully stated in the communications which my colleague (Mr. le Comte de Montferrand) and myself have had the honor to address to you, the present occasion is exceptionally favorable to initiate

such a policy; and if time will not allow you to accomplish this patriotical task, no one will dispute with you the glory of having originated and introduced a policy which will surely bring honor, peace, and prosperity to the American republics.

Considering this momentous question from this high point of view, I submit, with all respect, that the hour has arrived for carrying out your ideas of sending instructions to your ministers at Lima, Santiago, and La Paz to renew the offer of mediation and to recommend at the same time to the consideration of the belligerent States the financial programme of the "Crédit Industriel," and further to declare that the Government of the United States is willing to act as international trustee for the benefit of all interested and for the perpetuity of republican institutions.

This course will not create any international difficulties. Quite the contrary; it will give to the United States another opportunity to assume the honorable position of pacificator and promoter of civilization.

Briefly, if you see no objection to it (and the last news received from the seat of war confirms my earnest opinion about the continuance of hostilities as well as in regard to the opportunity of taking such a measure without further delay), I will be happy to learn that you are decided not to leave your high post without making another effort to inaugurate in South America the policy which you have so successfully secured in China and Japan.

In such a case I will, with your permission, send a confidential dispatch to the "Crédit Industriel," and I will promptly communicate to you their reply. In the mean time, I beg leave to say that if you should deem my personal services of any practical use to success, command them, and moreover if you should see no impropriety to intrust to my care such an honorable commission, I will start immediately for Lima with your dispatches to the ministers of the United States in Peru, Bolivia, and Chili.

Waiting for the honor of an answer, please accept, sir, the assurance of my respected consideration.

FRANCO. P. SUAREZ.

No. 426.

Mr. le Comte de Montferrand to Mr. Evarts.

[Translation.]

WASHINGTON, *February* 14, 1881. (Received ———.)

Mr. SECRETARY OF STATE: Being about to leave Washington, I have the honor hereby to confirm the information previously given that Mr. de Suarez, who has been accredited near you by the Crédit Industriel, is authorized to receive your reply in reference to the Pacific affair, and to transmit it to Paris, in a word to continue the negotiations commenced by us.

Be pleased to accept, &c.,

CH. DE MONTFERRAND.

No. 427.

Confidential note.—Re-Chilo-Peruvian affairs.

Interested parties in the contract between the Government of Peru and the "Société Général de Crédit Industriel et Commercial," dated at Paris the 7th January, 1880, subject to modifications in accordance with the financial and commercial programme submitted to Hon. William M. Evarts, Secretary of State, namely:

English interest is represented by the high-standing house of Matheson & Co., bankers, whose business relations extend over the whole world, most especially to India and Spain. One of the partners is an influential member of the House of Commons.

There is no committee in England officially recognized by the Peruvian bondholders. Actually there are three conflicting committees more or less favorable to Chili.

But we have received assurances from the "foreign bondholders' committee" (the only corporation of the kind existing in Europe and maintaining regular official intercourse with foreign governments in connection with their external debts), tendering to the Crédit Industriel their good offices, and offering their aid and support as soon as we shall commence operations on behalf of the Peruvian creditors.

Belgian interest is represented by Mr. Louis Godderies, president of the Belgian-Peruvian bondholders' committee. Mr. Godderies is a banker himself, and he is supported by first-class banking-houses connected with the guano and nitrate agency.

Dutch interest is represented by Mr. A. L. Vurfbain, president of the Dutch-Peruvian bondholders' committee. Mr. Vurfbain is the president of the Amsterdam stock exchange, and is equally supported by some of the principal bankers in Holland.

German interest is represented by the "Deutsche National Bank" of Bremen, seconded by powerful banking-houses. One of the members of the German group holds a seat in the national Reichstadt, and, I have been told, he disposes of a great influence in political circles.

French interest is represented by Mr. A. Guillaume, president of the French-Peruvian bondholders' committee. He is supported by the "Crédit Industriel," the "Banque Franco-Egyptienne," and many other banking and commercial houses of high standing. Among them, one of the most important, are Messrs. Dreyfus Frères & Co., lately guano agents at Peru, and at the same time one of the largest creditors of Peru.

Spanish interest is represented by some important banking and commercial houses of Barcelona and Valence.

American interest is represented:

1st. By a certain number of American citizens holding Peruvian bonds.

2d. By American citizens having entered into different contracts with the Peruvian Government, and who will not be able to realize their prospects if Chili should be allowed to enforce upon Peru and Bolivia her unjust, exorbitant, and humiliating conditions.

3d. By the agents for the sale of Peruvian guano and nitrate in the United States.

4th. By the American company actually holding a contract from the Government of Peru to lay a cable between Panama and Callao.

It is pertinent to observe, that while Peru and Bolivia have from the

beginning of the war turned their eyes towards the United States, Chili, on the contrary, has to the present moment endeavored to fortify her political and commercial links with Europe. She has attempted on different occasions to place the guano and the nitrate deposits under the exclusive control of English houses; but her efforts have proved unsuccessful, owing to the open declaration of the British Government and of the English courts of justice, which will undoubtedly become more emphatic and decisive as soon as it will be known that the United States has decided to mediate with the firm intention of settling the difficulties existing between the three sister republics, and adjusting every claim on equitable grounds to all parties.

WASHINGTON, D. C., *February* 16, 1881.

No. 428.

Mr. Evarts to Mr. Suarez.

Confidential.] WASHINGTON, *February* 17, 1881.

MY DEAR SIR: I have to acknowledge the receipt from you of various communications in writing on the subject of the restoration of peace between Chili and Peru, and the submission of practical data on which to base a settlement. In the conference you have had with me, you have still further presented your ideas with reference to the financial aspects of the question, as set forth in a certain "programme for mediation between Peru and Chili," as well as in other papers exhibited to me.

In view of these statements so made by you, I have thought it proper to bring the matter to the knowledge of the United States minister at Lima, by an instruction of to-day's date, in which I communicate to Mr. Christiancy a copy of the programme, and acquaint him with the observations I made to you, on the occasion of our last conference, to the effect that I am always ready to press the mediation of this government towards early and honorable peace between the belligerents; that the financial facility and aid which the private interests you represent can furnish toward a liquidation of the pecuniary obligations that the war may have created, and which may need to be met, are calculated to assist the restoration of peace; that, in this light, they would be laid before the United States representatives in Peru and Chili; and that any future responsibility of this government can only be determined by actual negotiations between the belligerents asking this government to assume them. If, when you reach Peru, you should have occasion to call upon Mr. Christiancy, showing him this letter, you will find him in possession of the subject.

I am, &c.,

WM. M. EVARTS.

No. 429.

[Translation.]

Mr. F. de P. Suarez has the honor to transmit to the Secretary of State this copy exclusively for his personal use.

Strictly personal.] WASHINGTON, *February* 18, 1881.

To Mr. GUILLAUME,

President of the Committee of French Bondholders:

MY DEAR MR. GUILLAUME: I send you herewith my latest correspondence with Mr. Evarts. You will thereby see that I constantly place myself upon the ground of the Monroe doctrine, which is certainly the firmest one when questions are concerned which are connected with the international policy of the United States.

Mr. Evarts does not think it consistent with the mission of the United States in the New World to enforce its decisions by compulsion, unless this should be necessary for the protection of republican institutions, or for the defense of the political and commercial future of the United States against the attacks of its enemies.

Mr. Evarts does not think that the time has come to use force in support of the mediation of the United States against the will of the republics of the Pacific. He is, however, quite willing to renew his efforts in behalf of the restoration of peace, and, to this effect, he sends a special messenger by the steamer which sails on the 19th instant, with dispatches to the American ministers at Lima, Santiago, and La Paz, and with instructions to seek most earnestly to convince the belligerents of the necessity of terminating a fratricidal war which has already been attended with such terrible consequences, and which must end in the utter exhaustion of all three republics.

Mr. Evarts commends the programme of the Crédit Industriel to the consideration of the ministers. He regards the said combination as a means which may aid considerably in settling the financial difficulties of the situation. Mr. Evarts recommends his agents to utilize, the case arising, the co-operation of the Crédit Industriel. In short, the Government of the United States, while recognizing the importance of our programme, will confine its action to lending its moral support to that programme.

As to the *rôle* of an international trustee, Mr. Evarts thinks, with justice and reason, that it would be neither fitting nor proper for the United States to seek such a position. Nevertheless the United States would willingly accept it if, in the course of the negotiations for the restoration of peace, the parties interested were to agree upon that point.

As to the rest, you will get a correct idea of the views of the Secretary of State by reading the inclosed copy of a confidential note which I have this moment received.

I must apprise you that, in order to render the grounds for American intervention more evident, and fully to justify the dominant attitude of the United States Government in the Pacific question, I have thought it right and proper verbally to promise Mr. Evarts that the agency for guano and nitrate in the United States should be placed under the patronage of a first-class American house.

Accept, &c.,

FO. DE P. SUAREZ.

No. 430.

Mr. Suarez to Mr. Evarts.

NEW YORK, *February* 19, 1881. (Received February 23.)

SIR: I have the honor to acknowledge the receipt of your interesting

confidential note, dated the 17th instant, contents of which I transmit by to-day's mail to my principals.

I beg also to inclose copy of my cablegram to the "Crédit Industriél" and their reply, signed by Mr. Rostaud, oné of the directors.

As soon as I will reach Peru, I will communicate with Mr. Christiancy, and be sure, sir, that I will assist in every way to bring about peace and to secure to the American flag its due supremacy in the political and commercial relations of the South American republics.

Be pleased to accept, sir, my sincere thanks for your courtesy and kindness, and at the same time the assurance of my highest consideration.

FRANCO. DE P. SUAREZ.

[Telegram.]

Private.] WASHINGTON, *February* 17, 1881.

To TIBARVEL, *Paris:*

Etienne with fresh instructions to press restoration of peace. *Acte* will be submitted to their representatives to be useful towards bringing about peace. *Paul* thinks better wait until negotiations are reopened for parties; ask *Pierre,* trustee. Authorize me to go south; steamer leaves Saturday. Immediate answer required to notify *Paul.* Cable funds for trips. *Charles* absent.

FELIX.

Reply from the "Crédit Industriel."

To FRANCISCO SUAREZ,
Washington:

Partez pour Peron credit cinq cents dollars chez Lavenburg New York *un* et *deux* d'accord pour agir ensemble en vue de paix.

ROSTAUD.

Etienne.—Agent of the American Government, going to the Pacific in connection with the mediation affairs.
Paul.—The Secretary of State of the United States.
Pierre.—The Government of the United States.
Charles.—Mr. le Comte de Montferrand.
Felix.—Mr. Suarez.
Acte.—Programme of the "Crédit Industriel."
Tibarvel.—Crédit Industriel.
Un.—English Government.
Deux.—French Government.
Washington, February 18, 1881.

FRANCO DE P. SUAREZ.

No. 431.

Mr. Suarez to Mr. Evarts.

PANAMA, *February* 28, 1881. (Received April 16.)

Hon. WILLIAM M. EVARTS,
Secretary of State, Washington, D. C.:

SIR: I received so late on Friday, the 18th, the reply from the "Crédit Industriel" to my cablegram of the 17th, that I had no time to have the honor of seeing you before my departure for Peru.

Consequently I was obliged to start off, leaving at New York, in the hands of my colleague, Mr. le Comte de Montferrand, a brief note ac-

knowledging the receipt of your confidential letter dated the 17th, at the same time inclosing copies of my dispatch, of the answer from the "Crédit Industriel" and of a private communication of Mr. A. Guillaume, president of the French-Peruvian bondholders' committee, in order to prove to you that I have nothing hidden from you, and that it is my earnest intention to act, while in compliance with the instructions of the "Crédit Industriel," in perfect accord with your government, in order to facilitate the promptest restoration of peace in the South Pacific.

You may then be assured that I will devote my best efforts to secure success to your policy and lend all possible assistance towards restoring peace and harmony among the sister republics, and to promote, on new and quite solid bases, with the moral aid and support of the United States, the development and prosperity of the South American republics.

It now only remains for me to renew my sincere thanks for the frank hearing you have kindly tendered to me, and for the generous support you have thought just and proper to lend on behalf of the interests I represent.

Be pleased to accept, sir, the renewed assurances of my high esteem and most distinguished consideration.

FRANCO. DE P. SUAREZ.

No. 432.

Mr. Suarez to Mr. Blaine.

PANAMA, *March* 1, 1881. (Received March 18.)

SIR: I beg leave to call your attention to the papers which I have lately transmitted to the State Department in reference to the appeal addressed to the Government of the United States by the foreign creditors of Peru, and to the financial aid tendered by the "Crédit Industriel" to that republic, on their according with the existing contracts between said "*société*" and the Peruvian Government.

The attitude assumed by the United States on this occasion may not have been so strong and decisive as that demanded by the paramount interests at stake, but it must be remembered that the administration now yielding up the reins of government to that of President Garfield, could naturally do nothing which might hamper the action of its successor.

But the main question remains still the same, and it is due to the high mission of the United States in the western hemisphere to settle it for the benefit of liberty and civilization.

I do not doubt therefore that your government will readily indorse and further the wise policy initiated by your predecessor, and that you, Mr. Secretary, will endeavor to illustrate the new administration with the indelible glory of putting an end to the unhappy era of civil and fratricidal wars, which, opposing an insuperable barrier to the welfare and advancement of the South American republics, constitute at the same time a permanent danger to republican institutions and a cause of obstructions to universal commerce.

By this laudable course the Government of the United States will perform a twofold benefit; at once aiding the cause of peace and progress and by assisting those whose material interests are at stake, it will also win their applause and sympathies to your government as their natural friend and support; while, on the other hand, by pre-

venting the ruin and dismemberment of two lesser republics, your government will highly prove to the whole world that the dangerous and immoral doctrine, "might makes right," is not recognized on American soil.

I do hereby confirm the offers made by the "Crédit Industriel," and I do also solemnly declare that this "*société*" is ready to execute all engagements which may be imposed upon it by the desired treaty of peace, so far as they may be consistent with the basis of the financial and commercial programme submitted to the State Department, or with such modifications as the actual situation may render necessary, provided same modifications be consented to by the "Crédit Industriel."

As I have left for Lima to participate in person in the negotiations tending towards the restoration of peace, I beg to inform you that during my absence, my colleague, Mr. le Comte de Montferrand will remain charged with the official representation of the "Crédit Industriel" at Washington, and should this gentleman absent himself, Robert E. Randall, esq, will then act as the authorized medium between the Government of the United States and the "Société Général de Crédit Industriel et Commercial," of Paris, for all negotiations connected with that corporation in the financial or commercial arrangements which may bring about the wished for mediation of the United States between Peru and Chili.

I avail of the occasion to send you, Mr. Secretary, the assurances of the high consideration with which I have the honor to subscribe myself, sir,

Your obedient servant,

FRANCO. DE P. SUAREZ.

No 433.

Mr. Suarez to Mr. Blaine.

PANAMA, *March* 1, 1881. (Received March 22.)

SIR: Public opinion designates you, for your ability, firmness, and integrity, to take the helm of foreign affairs under the incoming administration.

What I have learned about you, sir, authorizes me to believe that, whether in the high post of Secretary of State or in the private councils of your honorable friend, General Garfield, your voice will always be heard in favor of right and justice.

Devoting myself to-day, at the indication and with the support of the "Société Général de Crédit Industriel et Commercial," to save two lesser republics from ruin and humiliation, I do not hesitate to appeal to you, sir, to lend your valuable assistance in order to secure an honorable and lasting peace between Chili, Peru, and Bolivia.

Even when the actual conflict is over, social, political, and commercial questions of the highest import have to be conciliated on the South Pacific coast, and no opportunity could be more favorable than the present one to settle them to the honor and advantage of American interests.

I could say nothing on this subject that your acknowledged intelligence has not yet carefully studied and mastered.

All naturally presume that you mean to follow in the path traced for all true patriots by the fathers of American Independence, and that, in regard to the foreign policy of the United States, you will stand firm by the principles advocated by Jefferson and Monroe.

Thus, sir, you cannot remain indifferent to this appeal, and it would be productive of the liveliest satisfaction to the very powerful corporation I represent and, of course, to myself, if your influential intervention be employed towards bringing about the mediation of the United States on behalf of Peru and Bolivia, and protecting them against the unjust and tyrannical pretensions of a merciless foe.

Should you require any further and detailed information referring to the above matter Mr. le Comte de Montferrand, my colleague, or, in his absence, Robert E. Randall, esq., will readily afford you the same.

I take the opportunity to assure you, sir, &c.,

FRANCO. DE P. SUAREZ.

No. 434.

Count de Montferrand to Mr. Hitt.

[Translation.]

LEGATION OF FRANCE.

Port-au-Prince, Hayti, April 22, 1881. (Received May 6.)

Mr. ASSISTANT SECRETARY: You were pleased to authorize me to remain in communication with you on the subject of the proposals made by the "Crédit Industriel et Commercial," with a view to facilitating the conclusion of financial arrangements between Chili and Peru.

On the occasion of the interview which you were pleased to procure for me with Mr. Blaine on the 2d instant, I stated that the Industriel Crédit, or the "Société du Pacifique," which is the outcome thereof, was ready to discuss any modification that might be thought proper in the programme originally proposed. In the conferences which I had with you, either before or after the audience with Mr. Blaine, I went so far as to add that the case might arise in which the Pacific Company might be called upon to work, even for the account of Chili, the territories ceded or given as a pledge by the treaty of peace that should be concluded, and that to the greatest advantage of Chili.

This view of the case was cordially shared at Paris, as is shown by the letter herewith inclosed. The managers of the Pacific Company say in that letter (see last paragraph):

As the interests which we represent are not exclusively those of any of the countries engaged in the war, our desire is to maintain, as far as possible, the most friendly relations with both Peru and Chili. To this end we have sent M. de Lacretelle to represent us near the latter government, and he sailed a few days since for Valparaiso &c.

This letter bears date of March 11. I shall be grateful to you if you will return it to me; nevertheless, should you need to retain it, in order to furnish positive evidence, either to Mr. Blaine or to Mr. Martinez, that the Pacific Company is disposed to lend its co-operation to Chili as well as to Peru, I am willing that you should do so, notwithstanding its personal character.

This must put an end to all apprehensions lest one country may be favored in preference to another by an indorsement of our programme.

I do not insist upon the solidity of the co operation offered by the Pacific Company. That point is beyond discussion. I desire, however,

respectfully to inquire whether you do not think it would be well to induce Mr. Blaine to give to the United States minister at Valparaiso instructions similar to those given by Mr. Evarts to Mr. Christiancy.

Be pleased to present my respects to Mr. Blaine, and to accept the assurance of my high consideration and of my gratitude for your very kind courtesy.

CH. DE MONTFERRAND.

[Inclosure—translation.]

[Compagnie Financière et Commerciale du Pacifique; Société anonyme au capital de 30 millions Siege Social, 66 rue de la Chaussée d'Antire. Bureaux Provisoires, 70 bis rue de la Victoire.]

PARIS, *March* 11, 1881.

SIR: The president of the General Industrial and Commercial Credit Company has advised us of your speedy departure from New York for Hayti.

We are instructed by the board of the Financial and Commercial Pacific Company to thank you for your intelligent and enlightened co-operation.

We hope that the mission which has been entrusted to you will tend to diminish, to a certain extent, the difficulties with which we have to contend in America.

Since the latest dispatches received by you, arrangements appear to have been made between France, England, and Italy, the governments of which countries are disposed to unite their efforts for the protection of the interests of their subjects engaged in the Chilo-Peruvian question.

Instructions in this sense have been sent by these countries to their representatives in South America. Although Germany has not yet seen fit to take part in this movement, this reserve must be attributed to the ignorance of that government concerning the attitude to be assumed by the United States. That attitude, sir, is better known to you than to any one else. A *résumé* thereof, is, moreover, contained in the last letter addressed to you by Mr. Evarts, the late Secretary of State, a copy of which you have sent to us. We, therefore, hope that, in view of the favorable disposition which appears to have been manifested by the United States towards the financial programme of the Industrial Credit, Germany will decide to abandon the expectant attitude which she has thus far maintained, and that she will consent to take joint action with the other continental powers.

As the interests which we represent are not exclusively those of any of the countries engaged in the war, our desire is to maintain, as far as possible, the most friendly relations with both Peru and Chili. To this end we have sent M. de Lacretelle to represent us near the latter government, and he sailed a few days since for Valparaiso. We have accredited him to the Messrs. Gautreau, our general agents, who have an establishment at Valparaiso, and one at Lima, and we have advised him of the departure of M. de Suarez for the latter city, so that he may correspond with him, if necessary.

Be pleased to accept, sir, the assurance of our most distinguished regard,

A. AUBRY,
L. Z. AAM,
Managers.

Count DE MONTFERRAND,
Director of the bank, Hayti.

No. 435.

Mr. Suarez to Mr. Blaine.

Confidential.]

WASHINGTON, *May* 3, 1881. (Received May 11, 1881.)

SIR: I have the honor to communicate that which I deem a most important dispatch, which I received yesterday afternoon. As time is an essential element, and as my principals in Paris request me to make prompt answer as to the views and wishes of your government,

will you kindly advise me what answer I shall make? The same will be strictly confidential in regard to the disposition of the United States to have the co-operation of the European powers in order to secure peace on the "programme" I have had the honor to submit to the State Department.

I avail myself, &c.,

FRANC'O DE P. SUAREZ.

[Cablegram, dated Paris, May 2, 1881.—Translation.]

(Confidential.)

To SUAREZ, *care French Legation, Washington:*

1 (*i. e.*, French Government); 2 (English Government); Italy, probably, and Germany will act in concert if 3 (*i. e.*, American Government) will make overtures to them. Conditions to have regard to financial interests and contracts of 6 (Crédit Industrial). Reply by cable, with address.

GUILLAUME.

[Cablegram, dated Paris, May 2, 1881.]

(Confidential.)

To SUAREZ, *soins Legation, France, Washington:*

1 (*i. e.*, French Government), 2 (*i e.*, English Government), Italie, probablement Allemagne Marcheront si; 3 (*i. e.*, American Government), leur font des ouvertures. Conditions respecter interêts créanciers et contracts; 6 (*i. e.*, Crédit Industriel). Réponse télégraphique, avec adresse.

GUILLAUME.

No. 436.

Mr. Suarez to Mr. Blaine.

Private.] 503 THIRTEENTH STREET, NORTHWEST,
Washington, D. C., May 28, 1881. (Received May 31, 1881.)

SIR: I have the honor to inclose to you a duplicate of my letters of credence to your predecessor, the Hon. W. M. Evarts.

My colleague, Mr. le comte de Montferrand, having been called abroad to fulfill another mission, I have remained here in sole charge of the commission therein referred to.

I take this occasion most respectfully to call your attention to the confidential letter addressed to me by the Hon. Mr. Evarts, dated on the 17th of last February, relating to the programme submitted to your Department by the Credit Industrial, and expressing his impartial views on the subject.

Circumstances have made its adoption more imperative, and your favorable action will surely meet with the approval and support of all the European powers whose subjects' interests are at stake, and of the belligerents themselves, who are longing for peace, and will heartily welcome it as a blessed boon.

I beg to renew you, sir, the assurances of my highest consideration.

FRANC'O DE P. SUAREZ.

Mr. Durrien to Mr. Evarts.

[Translation.]

SOCIÉTÉ GÉNÉRALE DE CRÉDIT INDUSTRIEL ET COMMERCIAL,
Paris, December 29, 1880.

SIR: We have the honor to accredit to you the Count de Montferrand and Mr. F. de P. Suarez, whom we have directed to repair to Washington to treat with you upon the subject of the part which we are to take in the financial and commercial arrangements which may be consequent upon the mediation of the Government of the United States between Peru and Chili.

Be pleased to accept, &c.

H. DURRIEN,
President.

Mr. Durrien to Count Monferrand and Mr. Suarez.

[Translation.]

[Société Générale de Crédit Industriel et Commercial, 66 rue de la Chaussée d'Antin et 72 rue de la Victoire.]

PARIS, *December* 29, 1880.

GENTLEMEN: A dispatch which we have just received from the United States requests us "to authorize our delegates to submit to the secretary of state for foreign affairs the financial and commercial programme which is designed to serve as a basis for the mediation of the United States between Peru and Chili."

We thought that the letter addressed to Mr. Randall would be sufficient to make known our views on this subject, and that, at all events, the powers which are in your possession fully authorized you to submit, in our name, to the United States Government the declaration which it seems to desire.

Nevertheless, we now, for the purpose of meeting every emergency, reconfer upon you the powers already given, and authorize you to make, in our name, any official communication to the Government of the United States relative to our intervention as regards the carrying out of the programme of mediation of which we have sent you a copy.

Be pleased to accept, gentlemen, the assurance of our distinguished consideration.

H. DURRIEN,
President.

TO COUNT DE MONTFERRAND and Mr. F. DE P. SUAREZ,
Washington:

No. 437.

Mr. Hitt to Count Montferrand.

WASHINGTON, *June* 10, 1881.

DEAR SIR: Your interesting letter of the 22d April, arrived during my absence from the country on a short visit to Paris, and I fear that the delay in responding to it may have created in your mind an impression that your communication had been neglected.

The information you communicate in regard to the disposition and purposes of the Pacific Company, as fully shown in the letter of their administration accompanying your own, agrees with the statements made by you at Washington, and their intention of maintaining friendly relations with both Peru and Chili is manifest. I am so recently arrived that I have not yet had opportunity to discuss the questions which are the subject of your letter with either the Secretary of State or the representatives of those countries. I will, however, take pleasure in calling the attention of Mr. Blaine to the suggestion made at the con-

clusion of your letter in regard to the advisability of the instruction you indicate for our representative at Valparaiso.

Please accept the assurances of my high considerations &c.,

ROBERT R. HITT,
Assistant Secretary.

P. S.—I inclose to you, in accordance with your request, the letter from the administrators of the Pacific Company to yourself.

No. 438.

Mr. Suarez to Mr. Blaine.

1334, G STREET, NORTHWEST,
Washington, D. C., December 5, 1881. (Received December 16.)

SIR: I beg you, before you leave the Department of Foreign Affairs, to have the kindness from sending to me an answer in writing to the papers I have had the hônor to address to your department on the Chilo-peruvian question.

On making this request, I beg leave to call your attention to the following facts, namely:

1st. That the company I represent is the *only one* which has not deserted Peru in her hours of distress.

2d. That said company is the *only one*, having strong connections with high standing American houses for the management and sale of the Peruvian guano and nitrate in all the markets of the world.

3d. That said company is the *only one* which has appealed for aid and comfort from the Government of the United States, as the regular and natural protector of European interests in America.

In accordance with these views, a financial programme was respectfully submitted by the company to the State Department since January last, and as I have had the occasion to state to you, such programme justly received the approval of your predecessor, the Hon. W. M. Evarts, who kindly recommended to the consideration of the American ministers at Lima, and at Santiago.

Said company still maintains its programme, and it is ready to execute it, subject, however, to the modifications required by the actual condition of affairs, and as it will be determined in the long-wished for treaty of peace.

It is the only way to conclude a rational adjustment of the difficulties existing existing between Chili and Peru.

It is the only way to bring about an honorable and permanent peace between the belligerent republics.

It is well known to-day that the unhappy conflict risen up between Chili, Peru, and Bolivia has simply been a wild struggle for business, a mere commercial speculation in which many financial societies have gone in as a stock-jobbing enterprise, with the well-defined intention of securing to an Anglo-Chilian association the management and control of the guano and nitrate business to the prejudice of other parties, holding previous claims on the same, by virtue of legal contracts entered into with Peru, and in which, as I have stated, respectable American houses are directly interested.

Finally, said company, earnestly hopes that the Government of the United States will agree to act in this affair as "international trustee"

in order to afford to the whole world the security that the engagements taken by the company, and by all the parties to the treaty of peace, will be strictly and faithfully executed.

Your reply, sir, will be on your part an act of justice as well as of benevolence to me, and it will permit me to prove to my principals that I have done my duties, to the best of my ability, toward them and toward Peru.

I take this occasion, sir, to renew to you the assurances of my most distinguished consideration.

FRANC'O DE P. SUAREZ.

No. 439.

Señor Suarez to Mr. Frelinghuysen.

Private.] 1334 G STREET, NORTHWEST,
Washington, January 13, 1882. (Received January 16.)

SIR: I beg leave to call your attention to my private correspondence with your Department on the existing difficulties between Peru and Chili, and, most especially, to the financial programme submitted to the Department of State by the company I have the honor to represent. All the papers concerning the same are on file at the Department of State, and you will easily see by their contents that it is calculated to further an honorable and reasonable adjustment of the pending questions.

It seems unquestionable to me that the earnest desire of your government is to prevent, so far as possible, the violent dismemberment of Peru, and that all its efforts, are directed toward friendly bringing about an honorable and lasting peace between the belligerent republics.

It is equally true, in my humble opinion, that so noble a purpose could never be realized, unless Peru is so properly assisted as to be enabled to meet all her national standing obligations.

In fact, while victory has vested upon the conqueror certain rights which must be respected, without sheer injustice or unnecessary humiliating sacrifices to the conquered, it is not to be forgotten that there are, on the other hand, solemn pending engagements, *previous to the present war*, contracted by the Peruvian nation toward her foreign creditors.

The re-establishment of constitutional order, and the recognition of Admiral Montero by the whole of Peru as President of the Republic—both being facts of the highest importance, indeed, and both, it is just to say, mainly brought about by the wise, firm, and thoroughly American policy pursued by General Hurlbut—offer to the Government of the United States the most brilliant occasion,

To perform the office of a friend to all the parties in this unhappy conflict; to carry into effect that friendly intervention, by which Peru might be enabled to meet the conditions which would probably be imposed, and to use its influence solely in the interests of an honorable and lasting peace.

To render easier and more practical the solution advocated by the Government of the United States, has been the main object of the financial programme herein referred to.

This programme is not a wild scheme, founded on fabulous litigious or spurious claims, set forth by an unknown syndicate.

The said company has nothing to do with the national politics of any of the belligerent powers, and it is not its intention to monopolize to its own advantage any special trade, in opposition to the rightful interests of universal commerce. Indeed not.

The "Société Générale du Crédit Industriel et Commercial" and their assignees the "Compagnie Financière et Commercial du Pacifique," of Paris, are both respectable and powerful companies, regularly organized. They represent a large majority of the creditors of Peru, and they have at their command all the financial resources required for the faithful fulfillment of any engagements they may undertake under the above-mentioned programme.

Allow me, sir, to complete this statement by adding that the legation of the United States, in France, can forward to your department whatever information you may deem necessary concerning the financial standing of said companies, about the legal character of their well-established rights, as well as in regard to the high honor of their boards of directors, and to the commercial importance of all the banking houses connected with the same.

Briefly, these companies are not looking after monstrous or impracticable contracts. On the contrary, their only aim is to protect the rights of the Peruvian creditors and their legitimate and long-established claims to priority on the guano and nitrate deposits of Peru against any treaty obligations between the belligerent republics tending to impeach those rights and claims, as it seems to be involved in the monstrous pretensions set forward by Chili under the inadmissible principle that "might is right."

Their programme and their honest expectations are founded on valid and solemn contracts, entered into long ago with the Peruvian Government for the management and working of the guano and nitrate deposits belonging to Peru, and regularly and specially pledged to her national creditors.

Moreover, Peru, whose national interests are at stake, has a paramount right to be heard on this momentous question, and should you deem proper to make some inquiries on the subject, the Hon. I. Federico Elmore, minister of Peru at Washington, will readily transmit you all necessary information concerning the legally binding contracts existing between Peru and the "Compagnie Financière et Commerciale du Pacifique," in whose behalf have been duly transferred all the privileges and rights granted by previous contracts entered into with the "Société Générale de Crédit Industriel et Commercial" of Paris, and with the "Peruvian Guano Company, Limited," of London.

To-day this company (Compagnie Financière et Commercial du Pacifique), on the faith of its contracts, and with the expressed consent of Peru and of her creditors, steps forward and declares itself ready to take charge of the payment of the war indemnity due to Chili, subject to the conditions stated in its programme.

This programme has been carefully prepared, and it is intended to provide, in a fair and equitable proportion, for the pecuniary obligations previous to the present war, and for those which would probably be imposed on Peru, as the price to be paid for peace, namely:

1. The payment to Chili of a reasonable war indemnity.
2. A royalty to Peru.
3. The service of the Peruvian foreign loans.
4. The service of the Peruvian nitrate bonds.
5. The payment of Dreyfus's credit.

6. The redemption of any other pending claims duly and legally settled and recognized by the Government of Peru.

Now, then, in order to avoid misunderstandings and abuses of any kind whatever, the "Compagnie Financière et Commercial du Pacifique" proposes to conduct the Peruvian guano and nitrate business under the trusteeship of the Government of the United States, and at the same time under the immediate control of a special committee, whose members shall be appointed by the Governments of Peru and Chili, and by the Peruvian creditors representing the guano and nitrate debts of Peru, and having adhered to the foregoing programme.

This arrangement will impart to the company the character of an international corporation, and afford to all parties the strongest security in regard to the strict and faithful execution of the contracts, which are the legal foundation of said programme.

But, as you will very easily understand, a European company cannot undertake to fulfill so serious engagements unless the immense interests entrusted to their care and management, should be duly protected against all future complications.

Now, then, bearing in mind the official declarations lately made by your government, it will be unwise to expect that protection without the moral guarantee of the United States, under the form determined in my communication, dated December 5, 1881, and more fully stated in the present one.

The adoption of said programme will afford to Peru the means for preserving her territorial integrity, and at the same time it will satisfy Chili in regard to the payment of the war indemnity.

Our combination will secure besides to the Peruvian treasury a sufficient income to provide for the expenses of the national government, and to develop slowly but surely the natural resources of the republic.

Said combination will, furthermore, give full satisfaction to all the Peruvian creditors, as it will undoubtedly constitute the strongest guarantee they could have for the maintenance and protection of their indisputable rights over the guano and nitrate deposits of Peru.

The object of this financial programme being to facilitate the accomplishment of the noble purposes fostered by the Government of the United States I beg leave to renew to you my requests, in order to duly inform my principals on the subject.

The spirit and letter of the official dispatches, dated June 15, 1881, containing the instructions given to the ministers of the United States to Peru and Chili, do not leave the least shadow of a doubt in regard to the nature and tendencies of the friendly efforts of your government toward restoring peace on honorable and just terms between Chili and Peru.

The instructions to General Hurlbut say:

> If you can aid the Government of Peru in securing such a result you will have rendered the service which seems most pressing. Whether it is in the power of the Peruvian Government to make arrangements at home or abroad, singly or with the assistance of friendly powers, which will furnish the necessary indemnity or supply the required guarantee, you will be better able to advise me after you have reached your post.

And further on:

> *If, upon full knowledge of the condition of Peru, you can inform this government that Peru can devise and carry into effect a plan by which all the reasonable conditions of Chili can be met without sacrificing the integrity of Peruvian territory, the Government of the United States will be willing to tender its good offices toward the execution of such a project.*

While, in his instruction to General Kilpatrick, the honorable Secretary of State, earnestly recommends to the late American minister at Santiago:

In any representation which you may make, you will say that the hope of the United States is that the negotiations for peace shall be conducted, and the final settlement between the two countries determined without either side invoking the aid or intervention of any European power.

Contrary to these declarations, the honorable Secretary of State, in a later dispatch to General Hurlbut, dated 19, 1881, peremptorily asserts:

However trustworthy the Crédit Industriel may be, I did not consider it proper for the Department to have anything whatever to do with it. It is a foreign corporation, responsible to French law, and must seek its patronage and protection from France. At the same time it is no part of your duty to interfere with its negotiations with the Peruvian Government. If it can be made an effective instrumentality to aid that unhappy country in its prostrate and helpless condition, it would be ungenerous and unjust to obstruct its operations.

This assertion, so widely opposed to the emphatic declarations embodied in the official instructions given to the United States ministers at Lima and Santiago, goes to prove how important it is for the due protection of my principal's rights to know at your earliest convenience, the views of your Department in regard to their programme.

My request is entirely in accordance with the formal declarations of your Department.

To lend its moral support to a programme accepted by Peru and by a large majority of her creditors, and to agree to act as "international trustee" in its faithful execution, cannot be objected to on any ground whatever.

Such course on the part of the United States, far from being considered as an uncalled for interposition, will be most assuredly welcomed and supported by all parties as the only practical means to preserve peace and order, and, therefore, to promote progress and prosperity among the South American republics.

The Government of the United States, having openly declared its intention not to lend its consent "*to the aid or intervention of the European powers in the final settlements of American disputes*," has assumed *ipso facto* the imperative duty of protecting European interests against any dangers or risks arising from the yet unsettled political condition of the Spanish American republics.

Otherwise, as I have stated before, it will become a most pressing duty on the part of the European powers to lend to their own national interests all necessary aid and protection, without the Government of the United States having a right to protest against a course which its own action will entirely justify, and which simply aims at the peaceful development of universal commerce without interfering in any way with the political institutions of the New World.

You must bear in mind that the action of the United States represents a very important factor in the solution of all South American questions, and my principals, therefore, having considerable interest at stake, desire to know (so far as you may deem proper) the views of your government, in order to regulate according to them their own course in their financial arrangements with Peru and Chili concerning the payment of the war indemnity and the fulfillment of all other pecuniary obligations specified in the herein-mentioned programme.

I entertain, therefore, the earnest hope that your government will kindly recognize the justice of my request, and, consequently, that it

will equally agree with me on the expediency of "*tendering its good offices toward the execution of such a project*," thus contributing to the early conclusion of a treaty of peace in that spirit of equity, amity, and concord so highly recommended by your government in its official instructions and dispatches to the ministers of the United States to Peru and Chili.

I take this occasion, &c.,

FRANCO. DE P. SUAREZ.

No. 440.

[Translation.]

Note on the Peruvian loans and on the possible solution of past contracts by "The Financial and Commercial Company of the Pacific."

The loans contracted in Europe by Peru amount to:

	Loans.	Interest.	Amortization.
Issue at 6 per cent., 1870, exacted annually	£11, 920, 000	£673, 200	£238, 400
Issue at 5 per cent., 1872, exacted annually	23, 215, 000	1, 160, 750	464, 300
Total	*35, 135, 000	1, 833, 950	702, 700
Nominal value, demanding annually			††2, 536, 650

* 878,375,000 francs.
† 63,416,250 francs.
‡ Loaned Pisco to Pea nominally of £290,000, on which £25,390 is amortized.

From the very text of the title deeds it results incontestably that all the revenues of the republic, created or to be created, and specially the deposits of guano have been hypothecated to form a guarantee of these loans.

A subsequent decree (November 14,'73) not only confirms this hypothecation, but gave it also a practical sanction by granting to the holders of the deeds the right to charge the quantity of guano sufficient for the guarantee of payment of the interest and the amortization of their bonds. And, finally, a diplomatic circular, dated January 11, 1876, added to the guarantee of the guano a special assignment on the products of the nitrates.

The prospectuses of emission declare that there are sold annually at least 500,000 tons of guano in the markets of Europe and the colonies, specially reserved for the subscribers, and, thanks to the monopoly system, the price of each ton was invariably £12 10*s*., which, less the expenses, interest, and commission (about £5 10*s*. per ton), leaves a net annual product of £3,500,000, say, for the service of the debt £2,536,000, assigning to the government for its share the sum of £964,000, say, about £2 per ton, cash.

The success of the guano of Peru did not prevent the existence of an interloping industry, and soon agriculture was solicited by manufacturers of intermediate chemical manures (phospho-guano and others), often, with little scruple, offering their productions at lower prices. These speculators, by a kind of deception of the eye, assimilated their productions to guano, declaring that they contained the same elements as the latter, taking good care to add that guano is so complete in itself that it cannot be artificially composed.

This competition, to which may be added in a large proportion that of the nitrate, resulted in diminishing the sum total of the sales of guano, but not being able at first to modify the price, inasmuch as the elements constituting this manure were really offered to the agriculturist at a lower price than that of the chemical composts. As to the sum of the sales of guano, their decline stopped, and the sum of the sales seemed definitely fixed at about 300,000 tons annually.

With a sum of sales of 300,000 tons instead of 500,000, the Peruvian Government could not keep its engagements, even supposing (which it could not bring itself to for fear of internal complications) it should abandon the personal revenue which it had always reserved from the product of this manure. It proposed then to its creditors to accept a reduction of their interest to 3 per cent., in order to balance the expenses and the receipts, allowing to itself a royalty sufficient for its necessities of £700,000 annually.

On the other hand, it offered them, by an official circular of January 11, 1876, to add to the guarantee of the guano, that of the nitrate.

An arrangement was made on these bases, which was accepted by the bondholders on the 10th of June, 1876, and regulated by a law of Congress of February 3, 1877. It was moreover agreed that the new arrangement should not be taken up until after the 1st of January, 1879, in order to leave Peru time to liquidate other debts already in litigation.

Unhappily, a new fact was to render unrealizable all the promises made, and even to place the guano trade in very unfavorable conditions to the interests of agriculture.

While the sale of guano had been monopolized, the price had been uniformly held at £12 10*s*. per ton, and the seller should, as much to get this price as to maintain his customers, whose patronage was solicited by the counterfeit articles, by exercising a rigid inspection, form a mixture of the different qualities, so as to obtain a uniform standard invariably good and acceptable to the consumer, who, in case of error or deception, would know then to whom to apply for redress.

Comprehending badly this situation, or hoping to sell more by changing the previous system, the Government of Peru destroyed the monopoly, and agreed that the guano should be sold by analysis, as a fabricated chemical composition.

The sales remained stationary, for even badly managed guano could not fall in the estimation of the agriculturist by reason of its unique qualities, but the prices fell from £12 10*s*. to £8 10*s*.

Beside, the mixture, which being no longer made by a single seller, was tampered with by manipulators, who added foreign substances to guano in order to augment their profits; and, thanks to the multiplicity of the new and irresponsible intermediaries, making the sales by three or four hands, the baffled consumer no longer knew who to hold responsible for the adulteration of which he had become the victim.

The result of this state of things was for the agriculturist the disappearance of all guarantee, and for the bondholders the indefinite loss of all revenue.

In view of the constant and well-founded complaints of agriculturists and of her creditors, the Government of Peru was forced to recognize the grave error they had committed in establishing competition upon its own product—a competition which, beside having brought about a decline in prices, had considerably augmented the expense of transportation, warehousing, and other things.

The Congress also voted on the 10th of October, 1879, a law which authorized the liquidation of the last two contracts, in order to reconstitute the monopoly of the sale of guano, for the account and to the profit of the Peruvian bondholders.

On this ground the understanding was so easy that they rapidly reached a solution, and that a contract was concluded January 7, 1880, between the commissioners of Peru and the Crédit Industriel et Commercial, whose moral and financial co-operation had been solicited by the committee of bondholders, and who had agreed to lend it on the same basis of the decree of November 14, 1873.

But a revolution had occurred at Lima. Interpreting ill the intention of the Crédit Industriel et Commercial, as well as of its colaborers, which it considered as being hostile, from the sole fact that they had concluded and defended a past contract with its political enemies, the new chief of the Peruvian Republic suspended the execution of the contract of January 7, 1880, under the pretext that the said contract bore in certain clauses injury to the dignity of the state.

Explanations followed and a reconciliation took place, which settled the questions in litigation (contracts of the 1st and 8th of February, 1881), by constituting the Compagnie Financiére et Commercial du Pacifique, created by the Crédit Industriel, first, trustee of the Peruvian bondholders; second, liquidator of the last consignees; third, exclusive vendor of guano, that is to say, conferring upon it the rights and giving it the means to satisfy the legitimate claims of the creditors and of agriculture, by the reconstruction of the monopoly.

In the interval which passed since the first decisions of the Peruvian Congress there occurred a grave complication, that created by the war between Chili and Peru.

Chili fearing that the negotiations commenced by Peru with the Crédit Industriel, supported by the bondholders, would only result in restoring credit to her enemy, and consequently permitting her to find resources to defend herself, commenced an urgent campaign, in which, announcing the victory, it menaced with reprisals those who should treat with Peru.

The threats being insufficient and to the end of securing public favor, Chili, through means of her minister in Europe, declared that it would do what Peru had never done, that it would respect the pledges of the foreign creditors of that state, and it authorized the said creditors to work the guano, under the sole reservation of paying a simple rent to Chili, varying from £1 to £1 10*s*. according to the price obtained, engaging even to this, that "in any agreement of price that might be signed with Peru the government would endeavor by all means in its power to guarantee the confirmation of this arrangement, its permanency and its extension to all the guano deposits of Peru." (Public declaration of Mr. Blest Gana, minister of Chili in Europe, dated January 30, 1880, articles 1, 4, 6.) This declaration was confirmed by a decree dated February 7, 1880, promulgated the 25th of the same month on the invaded territory.

English public opinion received these declarations and decree with enthusiasm. On the continent they were more reserved and they waited. They did well, for on the 10th of November, 1880, there appeared a diplomatic circular already printed, in a less grand spirit of generosity. It read, in fact, upon the subject of the conferences of Arica, in which the attempt at mediation of the United States failed before the Chilian demands.

The cession of territory should include, on the part of the victorious country, the recognition of all the hypothecated charges given by the Government of Peru in favor of the foreign creditors, and the rights of the bondholders over the guano products should be respected by the reservation of a moderate royalty.

As it may be remarked it is no longer a question of the primitive sum imported of £1 to £1 10*s.* per ton, but by an increase of precaution, and in fine to prepare the mind for still greater pretensions, a new diplomatic circular is issued the 24th of December, 1880, to determine the exact bearing of the above-written phrase from the circular of November 10:

This phrase has given rise to erroneous interpretations. * * * Some persons have thought, without considering the peculiar circumstances, except in one absolute manner and under a form of declaration of principle, the circular of November 10 served to define the rights of the creditors. * * * This phrase is the indication of a fact which should have been presented if the allies had accepted all the conditions of which it made mention (conditions of peace proposed at Arica). * * * Mais it did not constitute the recognition of a right, as some had supposed, * * * The breaking off of the negotiations leaves things in their former state, so that the rights that certain persons could allege, and referring to the territory of Tarapaca, would be regulated according to the rules of international law.

How does Chili interpret international law? Is it conformably to the principles admitted by French, English, or even Peruvian jurisconsults.

The annexing country is held to respect the real rights conceded by the dispossessed state, on the territorial domain of which it becomes proprietor, if those rights have been regularly acquired and maintained according to the existing laws. It finds itself in regard to them in a position analogous to that of a third holder of real estate, hypothecated or burdened with usufruct; the annexor is even obliged to respect the personal rights applicable to territorial domain and relative, for example, to their exploitation by individuals.

Now see the last public declaration of the Chilian minister in Europe concerning the guano deposits:

JANUARY 24, 1881.

My government, as a belligerent, holds the guano deposits situated on the coast of Tarapacá, and in its quality of a sovereign state it has the right to dispose of said guano as it chooses.

On comparing these different documents it appears that the protestations of respect for the rights of Peruvian bondholders made by Chili at the beginning of the war have been but a weapon—a means of ruining the credit of Peru and preventing her from finding resources; but to-day Chili dreams of but one thing, to appropriate exclusively the rich conquered provinces in order to balance her budgets; to redeem the paper money with which she has deluged the country; to reconstruct a treasury of war for furthering her views of ambitious supremacy.

As for the Peruvian creditors, she calculates not to preoccupy herself with them by objecting that she is not their debtor, which is true, but forgetting the formal declaration of January 30, 1880, and the incontestable rules of international law.

If the European powers remain indifferent to these facts and the annexation of Tarapacá, the competition, more bitter than ever, will begin again between the guano deposits of the north, which Peru will sell through the "Compagnie du Pacifique," and the guano deposits of the south, which Chili proposes to sell through some other commission house. Now, we have explained what are and must necessarily be the deplorable results of this competition as much for the Peruvian bondholders as for the agriculturist of the Old World.

The powers of Europe are thus forced to intervene to regulate this question; but have they the right to do so?

The terms above stated, extracted from a conference of two eminent French jurists, demonstrate that this right is formal, since Chili as the annexing state is obliged to respect not only the hypothecations agreed to by dispossessed Peru in favor of foreigners on the guano and nitrate deposits, but also the personal rights of exploitation conferred upon the "Compagnie du Pacifique," with a view of executing the contracts made long before the beginning of the war.

As a first argument worth offering to Chili there are precedents which she cannot ignore.

Spain, being at war with Peru, had seized, as Chili has just done, the guano deposits of that state, but, respecting the rules of international law, she acknowledged and allowed the execution of contracts binding her enemies to foreigners, which gave rise to the following document:

[Decree dated the Chinchos Islands, April 14, 1864.]

The fleet will take possession of all the islands belonging to Peru and all the men-of-war which should attempt to prevent this act. The guano actually found upon the Chinchos Islands will be a guarantee for all sums advanced to the Government of Peru by subjects of foreign nations, under the reservation that the debt has been recognized by the Peruvian Congress at an anterior date, and that the contracts have received official sanction.

The foreign companies actually charged with the transportation of the guano might continue on condition of reporting to the Spanish Government the number of tons exported from the day that the Spanish flag should be raised over the Chinchos Islands.

Admiral PINZON.

It may be objected that intervention has no sanction but war, in case of the refusal of satisfaction of the state toward which intervention is offered.

There is no such thing at least in this present case, as is proved by the following fact which is of public notoriety.

By the terms of the above-cited decree of the 7th of February, 1880, Chili allows several corporations, so called, representative of the creditors of Peru, to export guano from the occupied deposits for sale and distribution of the proceeds to the said creditors.

The so-called representatives of the bondholders have raised such pretensions for their personal remuneration and for the privilege which they wish to exercise to that effect that it is to be feared that the proceeds of the guano, apparently destined for the creditors, will be squandered.

A third person, M. Watson, a Peruvian bondholder, then applied to the supreme court in London, in order to protect his interests and those of other bondholders, by demanding a judicial sequestration (December 10, 1880).

The master of rolls, acquainted doubtless with the precedents of the affair, acceded to the prayer of the plaintiff, and decided that all the guano arrived or to arrive, in virtue of the Chilian decree, should be sold judicially and their proceeds deposited with the court.

The Chilian Government intervenes in the person of its representative in Europe, Mr. Blest Gana, and challenges the jurisdiction of the tribunal in what concerns the acts of a sovereign state.

The master of the rolls dismissed the plea of the Chilian Government and declared that the guano, over and above the royalty of £1 to £1 10*s*., claimed by Chili, belonged to the bondholders; the sentence of sequestration must take its course.

This decision, given by a simple magistrate, established not only the rights of the Peruvian bondholders, it has a much higher bearing; it points out the path to be pursued by the governments themselves, because, to give to their intervention a sanction without being obliged to use force, they have only to allow the action of their tribunals like that of the master of rolls of the supreme court of justice in London.

In fact, upon the deposits guano, like the nitrate, has no value; it cannot be consumed. In order that the state or holder can reap the same advantage, it is indispensable that it should offer them for sale upon the markets of the Old World where the exhausted soil needs it.

Consequently, to oblige Chili to respect the rights of the Peruvian bondholders and the execution of the contracts of the "Compagnie du Pacifique," contracts which partially assure the payment of the loans, and restore to the agriculturist the lost guarantees, it is sufficient for the governments of Europe to declare to Chili that in a state of litigation created by a conflict between two sovereign states, they will permit the sequestration of the guano by their courts from the arrival of these manures upon the markets by confiding the sale to the liquidator named by the debtor state itself; that is to say to the one who can only pretend to really represent the creditors.

Another means not less efficacious offers to the intervening states. These are the difficulties of order, moral, financial, and political, which generates on the markets of Europe the issue and quotation of all loans based upon the embezzlement of pledges assigned to the European creditors.

We comprehend what, in the actual situation of Chili, may be the threats of obstacles brought to the financial operations to which it must necessarily have recourse.

There remains only one question to resolve.

If the governments of Europe have the right and the duty to protect their nationals, if they have the means to render that protection efficacious, they can only decide so to do upon condition of respecting the rights of others.

Now, it is evident that Chili, as the conqueror, has incontestable rights to a war indemnity.

To what sum can this indemnity amount? The examination of the resources of Peru can alone decide; for, whatever may be the expenses of Chili and the damages she has sustained, their reparation is equitably due only in a possible measure—this state was at liberty to engage or not in a war which might close without compensation for it.

Besides the revenue from the guano, is Peru able to find solid resources to satisfy the pretensions of Chili?

Assuredly not, for if at full peace the Peruvian Government could not do without a tax upon the guano, at the risk even of bankruptcy, with much greater reason after her military disasters, she could not live—that is to say, maintain the order necessary to commercial transactions which the whole world is interested in maintaining, except on condition of receiving an annual royalty on this same guano, say at least £1 10*s.* per ton.

It is hard to ask the Peruvian bondholders who have realized nothing for five years to reduce their receipts more than 50 per cent., say to below the 3 per cent, promised in 1876.

Finally, there exists one credit in favor of MM. Dreyfus Brothers & Co., of which they have the inalienable right to demand liquidation, towards which they receive only £2 per ton of guano instead of £5, as their contracts assured them.

On the other hand, the holders of Peruvian nitrate certificates may be asked to reduce the interest of their bonds to 5 per cent., originally fixed at 8 per cent., everybody being obliged to make a sacrifice in order to arrive at a general arrangement.

The terms thus settled, and they seem equitable, the indemnity possible to be assigned to Chili is composed of the annual surplus of the proceeds of the guano and nitrate, the charges above-mentioned being paid.

Calculate—

1. The annual proceeds of the guano, with the monopoly restored by the execution of the contracts of the "Compaignie Financière & Commerciale du Pacifique," is—

300,000 tons, at £12 per ton, average		£3,600,000
Deduct cargo expenses and freight, £4 10*s.* per ton	£1,350,000	
Royalty to Peru, £1 10*s*	450,000	
Credit Dreyfus Bros. & Co., £2	*600,000	
		2,409,000
Net		1,200,000

2. Annual proceeds of the nitrate worked by the "Compaignie du Pacifique" by the terms of the contract of January 7, 1880—

200,000 tons, at £14 a ton		£2,800,000
Manufacture, £6 per ton	£1,200,000	
Deduct freight and charges, £4 per ton	800,000	
Nitrate debt, £4,000,000, at 5 per cent	200,000	
		2,200,000
Net		600,000

RECAPITULATION.

Net proceeds of guano	£1,200,000	
Net proceeds of nitrate	600,000	
		1,800,000
To distribute to Peruvian bondholders, say 3 per cent. of their nominal capital	1,050,000	
Remuneration deducted from the proceeds distributed	300,000	
		1,350,000
Remainder available for Chili		450,000

This balance of £450,000 corresponds exactly to the maximum sum of royalty (£1 10*s.* per ton of guano) which the Chilian Government had publicly declared herself willing to contract for the present and for the future (Declaration of M. Blest Ganan, Chilian minister, on the 30th of January, 1880).

It is therefore probable that, in fixing that sum, Chili had foreseen that she could not obtain more without exposing herself to legal reclamations, and that by formally limiting itself thereto, the governments would only hold her to what it had itself originally thought reasonable.

But in compensation the intervening governments might declare to Peru and to Chili that they placed under their own direct protection all the deposits of guano and nitrate, as well as their working.

By this means, not only can Chili no longer object that the province of Tarapaca is indispensable as a boundary, since this zone would become neutral and beyond all neighboring attacks; but yet it will find par the security given to the payment of her annual royalty the means to contract, by proxy, a loan of at least £7,000,000 to £7,500,000, at 5

*After the payment of the credit of Dreyfus Bros. & Co. part of the above sum be assigned to the sinking fund for the Peruvian loans.

per cent. interest and 1 per cent. redemption, say to constitute for herself a large pecuniary indemnity after having completely redeemed her paper money.

To sum up:

The Peruvian bondholders have the incontestable right to the guano and nitrates of Peru.

The recognition and exercise of these rights can be profitable, as much for the bondholders as for the agriculturist only on the condition of limiting the demands of Chili to a simple tax on the general proceeds of the deposits neutralized and worked by the "Compagnie du Pacifique," with a monopoly, that is to say in the manner recognized as indispensable to give satisfaction to the different interests which this question has brought into play.

And to arrive at so desirable a result, the European governments need only desire it, for they possess the right and the means.

PARIS, *February* 18, 1881.

Note on the Chili–Peru–Bolivian question.

It is not for us to investigate the causes of the war between the three republics of Chili, Peru, and Bolivia. Nor does it pertain to us any more to regard the explanations furnished by each of the states in the brochures which they have had published in Europe. But that which is perfectly proper for us to do, is to point out the principles advanced by Peru and Chili. Peru, relying upon international law, has declared that she had a treaty of alliance, offensive and defensive, with Bolivia, and consequently her honor obliged her to execute it; that is to say, to espouse the cause of her ally attacked. Chili, relying upon the law of nations, has declared that Bolivia in imposing an unauthorized tax upon the exportation of products exploited from the region common to the two states, manifestly injured the interests of her national engagements in the nitrates of Antofagasta, and consequently that her duty obliges her to protect the said interests. In effect, at the moment when the two belligerents declare officially that the cause of the present difficulty consists on the one side in respect for engagements undertaken, and on the other in protection of the national interests, they cannot find fault that the same respect and the same protection should be demanded of them for the interests of others.

But it is indisputable that if the present war were prolonged, the fatal result would be the ruin of the European holders of Peruvian bonds, since Peru and Chili will arrive at that point where they will no longer be able to bear their expenses except by appropriating entire the income from their guano and nitrates, to the detriment of their creditors, whose security these products stand for; that is to say, they will violate, so far as Europe is concerned, precisely the principles which the two states in the affair have set forth as the explanation and justification of their differences. It seems, then, useful and perfectly right that a mediation or intervention be made, in the name of the principles adopted by the belligerents, to devise and obtain a solution which will be a safeguard to European interests, by every means possible. And the present note has no other aim than to show what rights are to be protected, what satisfaction can be given them, and what are the means by which the execution of the engagements may be secured.

RIGHTS OF THE HOLDERS OF BONDS OF THE FOREIGN LOAN OF PERU.

To be satisfied of the incontestability of the rights of holders of bonds of the foreign loan of Peru, secured by the deposits of guano and nitrates, the possession of which is to-day become the cause of the prolongation of the war between Chili and Peru, it will be sufficient to read the preamble of the contract signed at Paris, January 7, 1880, between Messieurs Rosas and de Goyeneche and the Industrial and Commercial Credit Society.

From such perusal it is entirely evident, as well as from after official statements annexed to the contract in support thereof, that if a power ought to intervene between the belligerents, it cannot do so equitably, except upon the condition of safeguarding the interests of the holders of the bonds in question by every possible measure.

DIFFICULTIES TO BE SOLVED.

Five principal difficulties may be adduced upon the subject of the settlement of the right of holders of the bonds of the foreign loan of Peru.

1. Who is their official representative?

There are at present four committees of holders of Peruvian bonds distributed among the principal markets of Europe, where the loan was placed, namely: one at London, presided over by Mr. Cave; one at Paris, presided over by Mr. Guillaume; one at Antwerp, presided over by Mr. Gadderis; one at Amsterdam, presided over by Mr. Wurfbain.

The English committee is hostile to those of the continent. Its president, Mr. Cave, appears indissolubly allied with the Peruvian Guano Company. This society, to which General Prado conceded in 1876 the deposit of Peruvian guano, has recently offered to Chili to become her consignee, and has broken with Peru in opposing forcibly the duty which the latter state had imposed upon it in virtue of the contract; accordingly Mr. Cave is gone to Santiago, officially charged to obtain for the Peruvian Guano Company the consignment of the guano deposits at Tarapaca upon weighty conditions for the bondholders. If one believes the revelations made on this subject in the English papers, The Standard, The Financier, and The Money Market Review, Mr. Cave seems to have completely run aground in his mission. The committee which he represents is discredited to that degree that the Times has not hesitated to advise the bondholders to look for other representatives. The three other committees are united under the direction, real or nominal, of Mr. Guillaume. They have furnished the proof of this in giving to him, since 1879, the power to negotiate in their name with Peru, and in adhering publicly to the contract signed by the Crédit Industriél, January 7, 1880, a contract partly owing, they say, to the initiative of Mr. Guillaume.

It is then logical to consider Mr. Guillaume the best authorized representative of the holders of Peruvian bonds.

However, to avoid all discussion in opposition, it is best to attribute this character to the Crédit Indústriel. In effect, on the one hand this title was conferred upon it by the debtor, Peru, in the contract of January 7, 1880; and on the other hand this establishment is one of an incontestable integrity; finally, the Crédit Industriel appears to be entirely in accord with the committees of the continent, and further has the support of a very important English house.

2. Upon what basis to regulate the credit of the bondholders.

The contract signed by the Crédit Industriel, January 7, 1880, seems to offer excellent guarantees to the holders of Peruvian bonds, for it is conclusive—that which excludes the idea of future modifications, modifications of which experience has abundantly shown the danger; then it substitutes, first, for the heavy forfeit (adapted to the present, for the expenses, and payable all the same, whether the distribution is made to the creditors or not), a levy upon the net products only, distributed to the creditors; second, for the ground-rent stipulated as payment to Peru, whatever the result of the receipts, a payment *pro rata* to the amount of tons sold. Upon these bases the profits which the consignee can realize from the contract of January 7 vary from 10*s.* to 13*s.* per ton, if it sells at high prices and distributes the quintuple to the bondholders. This remuneration for trouble, care, and disbursements is not excessive. Above all, when one remembers that the last consignees were able to make £1 to £2, and even more, per ton, without in any way serving the creditors.

However, it is necessary to provide a modification for this contract—modification resulting from the necessity of giving satisfaction to the claims raised by Chili and of which the said contract has taken no account.

In this connection, and to avoid any objection on the part of either Peru or Chili, it appears politic to take for a basis of the royalty assigned to these two states for their needs the very figures which they have publicly demanded. Peru, who had the right by the contract of June 7, 1876, to an annual payment of £700,000, officially renewed it, in the middle of 1879, at £300,000, and will content herself for the future with £400,000, that which corresponds to a payment of £1 10*s.* per ton for guano upon the whole annual income. This proposition ought to be accepted, for it is, they say, the same figure which was accepted in the first place by Mr. Sarez, in the recent negotiations with the Crédit Industriel.

Chili has officially made declaration that she will not demand more than from £1 to £1 10*s.* per ton for guano according to the quality.

In the case of the appropriation of these £3, in order not to diminish the revenue already sufficiently restricted, remaining to the bondholders, the amortization of £1 in coin, per ton, of guano sold, stipulated by the contract of the 7th of January, 1880, would be suppressed, and the amortization, which must be raised year by year to £300,000, would be raised upon the receipts from the nitrates which, thanks to a wise conversion of the present certificates, could still furnish the means of appropriating each year £100,000 to Peru, £100,000 to Chili, and at the same time from £50,000 to £60,000 to the subsidy for a cable between Panama and Lima, the establishment of which cable would be of the greatest service. Thanks to this distribution, conformable to the declarations of the two states in question, Peru far from being short of resources would enjoy a revenue equal, if not superior to that which she has ever regularly received and Chili would find the means of negotiating a loan of from £4,000,000 to £5,000,000 in cash, that is to say, of receiving almost immediately an indemnity for the war.

Other considerations still militate in favor of the adoption of the contract of the Crédit Industriel thus modified as the basis for a settlement. In the first place the validity of the contract, it is true, has been contested by General Piérola; but this is a point more than discussable, since eminent lawyers, both of Europe and Peru, have maintained that this contract, concluded by commissioners acting by virtue of power

conferred by a law regularly passed by a regular Congress, will pledge the Peruvian nation, *de jure*, if not *de facto*, and the same opinion has been held by the consulting committee of affairs in litigation, at the office of the minister for foreign affairs of France before whom the question was laid.

Not to take account of this contract would be then to expose themselves to legitimate demands, for it would be a failure of equity which a mediator ought to guide.

In the second place to adopt a contract so made, and to which a large party of creditors has already adhered would avoid the delays and difficulties of a new negotiation in which it would still be necessary to make the creditors a party, and this at a moment when it is all but indispensable to guarantee in advance the execution of pledges and means about to be proposed to the belligerents to lead them to conclude peace.

3. What are the measures to be taken to preclude the return of former difficulties, of the present competition, or the failure of engagements undertaken?

The situation, for a long time precarious, which must result from the present war to Chili and Peru, indicates beyond question that the settlement of the question cannot be effective and certain unless the deposits of guano and nitrates, the cause of the past difficulties and present dispute, are placed beyond all future hope on the part of the nations which have possessed them or which occupy them to-day, at least until the liquidation of the debts for the payment of which these deposits are the security.

There is only one way to arrive at the result; *i. e.*, to make Chili as well as Peru admit that the said deposits are neutral territory and protected by a neutral flag, save that each of the two states shall have the right to watch the exportation, with a view to the execution of the engagements undertaken by them respectively.

This neutralization presents a double advantage: First, it guarantees the foreign creditors against new exigencies, and it effects (grants, allows) a solution of a question which to-day appears insoluble. From self love, natural pride, fear of a governmental derangement, or some other motive, Peru will not abandon Tarapaca to Chili, nor will the latter give it back to Peru. If they will make this territory neutral at the same time as the other deposits of the north Chili and Peru would no longer have any reason for insisting upon the point of occupation, and in the eyes of the masses (illegible in the French) the two governments could almost entirely abandon their pretensions, not as though by a retreat, but as by a neutral concession made to the great principle of the rights of the people, a concession having for its aim the revival of their credit and the maintenance of their reputation for honorableness.

4. Do there exist, beside the holders of Peruvian bonds, other important creditors?

Besides the holders of Peruvian bonds, Peru does not appear to have other important creditors in Europe, except her last two consignees, Messieurs Dreyfus Bros. and the Peruvian Guano Company.

The Peruvian Guano Company has at least a stock of guano more than sufficient to cover the debt, especially since its contract expired in June, 1880, and its situation is far from being right as regards Peru, which brought a suit against it in the English courts.

In 1873 Mr. Dreyfus proclaimed himself a creditor of the Peruvian Government in the sum of 100,000,000 francs, and declared that he was going to suspend the payment of interest on the loans in order to reimburse himself.

The government frightened, because at that juncture it had still to place almost the whole of its loan (called the 5 per cent. of 1872) not subscribed, on the 13th of April made a convention with Mr. Dreyfus by the terms of which Mr. Dreyfus was pledged to pay interest on the loans only until the 1st of July, 1875, inclusive, and was authorized to sell afterwards for the exclusive account of his debt, the guano which remained, about 500,000 tons.

The convention of April 13, 1874, was believed to have liquidated this account entirely since Mr. Dreyfus admitted a surplus of 35,000,000 francs, which he himself had advanced to Peru. But not at all; Mr. Dreyfus, in 1879, declared himself anew a creditor in the sum of 100,000,000 francs, and that after having received 300,000 tons in excess of that stipulated in his contract of August, 1869, and in the convention of the 13th of April, 1874.

The government of General Prado refused to admit this new debt upon the judgment of the court of accounts, and in a report given publicly the attorney-general of the Peruvian Republic, Dr. Aronibar, affirmed that far from being its creditor Mr. Dreyfus was its debtor.

One of the first acts of the present dictator, Don Nicolás de Piérola, on coming into power, was to admit the legality of the debt repudiated by the government overthrown.

It is difficult to pronounce absolutely upon the legality or illegality of the Dreyfus debt. Nevertheless, if one considers: 1st. That this debt was denied by the bondholders before the French courts which, while not giving a decision in their favor, did not hesitate to declare upon the question of the accounts of Peru with Mr. Dreyfus that this government had "betrayed its national faith;" 2d. That the attorney-general of the Peruvian Republic has legally contested the basis of this debt. 3d. That Messrs. Dreyfus referred the case to the arbitration of the present dictator without appeal, and accepted a reduction of about 5 per cent., it is permissible to doubt concerning a legal ground.

Nevertheless, in the absence of a knowledge of positive facts, it is impossible to deny the said debt absolutely; it will be indispensable to admit the sum of it, whatever it may be, *but pro rata*, because there exists no plausible reason for considering Mr. Dreyfus a privileged creditor, especially since this privilege would have as an immediate consequence the reduction either of the payments, which are useful and capable of being appropriated to Peru and Chili, or the amount disposable for the benefit of the bondholders whose debt is as legitimate as it is incontestable.

In this state of affairs it would seem equitable to appropriate to the payment of the Dreyfus debt a portion of the funds reserved for the amortization of the Peruvian bonds, suspending this amortization in part or in whole until the extinction of the debt in question.

5. Who should be charged with the liquidation, and consequently with the exploitation of the deposits of guano and nitrates?

First; two general considerations.

1. Guano and nitrates are two similar products, consequently the more there is sold of the first the less there is sold of the second, unless the prices are lowered. Then it is indispensable to the correct management of the affairs that the sale of guano should not diminish since the yield of this product is greater than that of nitrates, the first requiring from 6*s.* to 10*s.* per ton for all expenses of sale, and the second requiring £6. Whence this combination (should be made) that guano and nitrates should be sold by one and the same person or company.

So long as there was one vendor of guano in the market the prices were

maintained at an average of £12 to £12 10*s*. per ton. But from the day when there was competition (1876) the prices were lowered to a point where the average was no more than from £9 to £9 10*s*., being a loss of £3 per ton; £900,000 on the whole, which was originally 300,000 tons.

It is this that explains in part why payment of the interest on the Peruvian loan has been suspended since 1876. Competition alone having effected a loss of 3 per cent. to the bondholders.

Whence this other conclusion that it is useful that there should not be one vendor on account of Peru, and another on account of Chili; but one single vendor of guano and niter on account of all interested.

These points stated, we come to the question of the individual or company.

Public opinion in Europe rejects in a manner as general as it is absolute, the interference anew, as well of Mr. Dreyfus and his partners, to whom is attributed the failure of Peru, as of the Peruvian Guano Company and its partners, to whom is attributed the continuation of that failure. This general repugnance exists equally in Peru and Chili as regards the names above-mentioned. There are several firms which could be addressed, but besides entailing delay this would only give rise to difficulties for the reason and considerations enumerated above.

These reasons and considerations bring us perforce to this conclusion: That it is the Crédit Industriel, which ought to be charged with the liquidation, and, consequently, with the exploitation of the deposits of guano and niter, and the same reasons and considerations lead to the conclusion that it was the contract signed by this establishment on January 7, 1880, which was the best basis of the liquidation and exploitation.

There remains the question as to whether the Crédit Industriel is ready to accept this mission; for a government cannot intervene and offer a base of settlement without being assured in advance that the execution is guaranteed by the third party himself, whose name and programme are proposed for this purpose. There can be no doubt for a single instant that the Crédit Industriel will accept the base of liquidation in view, if that liquidation can take place on the conditions named above, and which, for greater precision may be here recapitulated:

I. Neutralization of the guano and nitre deposits.

II. Monopoly of the sale of the two products in the markets of Europe.

III. Base of exploitation according to the contract signed at Paris, January 7, 1880, with the modifications rendered necessary to bring about peace between Peru and Chili.

IV. Conversion of the nitrate debt and equitable reduction of interest.

At the same time that it is the interest, it is the duty of the Crédit Industriel to accept; for after having signed the contract of January 7, 1880, to refuse to execute it, would be almost a repudiation of its signature, and this establishment is reputed to be too careful of its honor to be done an injury by being doubted.

Public opinion.—As to the holders in Europe of Peruvian bonds, the favor with which they have received the news of the possible intervention of the United States in the Chilian-Peruvian question, testifies that they are ready to place all confidence in an intermediator, and consequently that they will accept the settlement as it is indicated above. This favorable acceptance is all the more certain since the indications

which precede are nothing more than a condensed reproduction of ideas set forth by the English journals, and for a long time publicly professed by the representatives of the bondholders on the continent.

On the utility of the contracts of the Crédit Industriel for obtaining a satisfactory adjustment of the Peruvian obligations.

In openly manifesting their intention to offer their mediation between Peru and Chili, the Governments of France, England, and Italy have shown that the interests of their citizens were seriously menaced by a continuance of the war devastating the Pacific, and that it had become absolutely necessary to regulate definitively the Peruvian foreign obligations.

But would a mere offer of mediation be sufficient to secure a satisfactory adjustment?

As far as Peru is in question there is no doubt of it. That state is bound by contracts as explicit and formal as they are of recent date; her present situation is such that she could not refuse any satisfaction, and, further, it is only by means of an equitable regulation with her creditors that the country can hope to be restored.

On the other hand, from Chili there are many serious difficulties to be apprehended, which very certainly will not be removed by a mere offer of mediation, for they arise for most part from immediate necessities, so urgent and of such lofty ambition that they can only be satisfied by the almost entire seizure of the only convertible resources of Peru, namely, the guano and nitrate beds.

In order to be convinced of the difficulties which Chili will suscitate it is only necessary to recall the inanity of the peace conferences held at Arica under the patronage of the United States, that is to say, under the patronage of a very powerful government, and, what is still more to the point, of a government that is in close neighborhood. It will suffice to cast a glance over the articles of the Chilian press to see that after having called for the annexation of Tarapaca, with the expressed reservation in regard to the Peruvian obligations, now insist upon a complete Chilian protectorate all over Peru, and declare that the Peruvian obligations should only be accepted at one-tenth of their face value, that is to say at a reduction of 90 per cent.

From these facts, constituting a moral presumption of bad faith on the part of Chili, in regard to a mediation being necessary to limit her pretensions, and if the material acts be added thereto, such as the prohibition to load and export guano, in execution of regular contracts, dated anterior to the war (1869–1876), the conclusion is positive that Chili will not yield to mere friendly remonstrances, and consequently the European powers can scarcely hesitate about adopting a more energetic attitude.

Such hesitation would only result in promptly complicating still further the situation, for it would lead Chili, already too much exalted by her success, into the belief that she could with impunity violate all rights of Europeans, and it would only be justifiable were any doubt to exist on the right of the powers to intervene, or as to the limit within which said intervention should be exercised, or, still further, even as to the possibility of a dissension between the governments interested more or less in the settlement of the Peruvian-Chilian difficulty, either in view of the protection of their citizens or in view of their politics in general.

But it is easy to prove that no such doubt could, or does, exist.

THE RIGHT OF THE GOVERNMENTS TO INTERVENE.

All legists agree in declaring that governments have the right to intervene to insure protection for the interests of its citizens when said interests are manifestly injured by a foreign government.

Indeed, many authorities go still farther, and declare that said intervention is not only a right, but is in itself a strict obligation.

Protective intervention in this respect is not optional. It is obligatory!

In return for the sacrifices imposed upon citizens, the governments are bound not only to protect them in person and property at home, but also owe to them at least an equal security against any attacks to which they may be subjected abroad. (McDufaure, consultation of March 13, 1875.)

If this intervention be considered obligatory for the protection of individual interests, how much more so must it be when there is in question, as in the present case, an entire people, possessed of the most incontestable rights, and powerless for defense, as its only means, namely, coercion, is interdicted.

Still further, in intervening to claim the possession of the deposits of nitrate and guano in the interest of their citizens, creditors of Peru, the governments can meet with no serious objection from Chili, since in such action they merely apply to that power the principles which she herself publicly and officially declared in claiming in the interest of the Chilian citizens the possession of the intermediate zone between Chili and Bolivia, wherein are situate the nitrates of Antofagasta and the silver mines of Caracolles.

CONDITIONS OF INTERVENTION.

The question of the terms and limit of intervention were decided judicially as follows:

The Government of Chili cannot, either in politics or in international right, confiscate the guanos and nitrates without making them subject within such limits and conditions as the Peruvian Government would have done, to the payment of the indebtedness of this latter state. In failing to act thus, the Chilian Government ignores not only the rules of international right, but exposes itself to answer to a diplomatic intervention, or even to an armed intervention of the powers holding the Peruvian obligations.

This right of armed intervention becomes incontestable when there is question, as in this instance, of certain creditors to whom certain goods were especially appropriated. On the other hand is to be found a government with whom said creditors had not negotiated, in whom they had not confided, and with whom they had no connection save that said government had seized by force the property which constituted to them their security. (McJozon, consultation of May 15, 1881.)

Thus the satisfaction which the European governments have the right to exact from Chili in the name of their citizens can be no other legally than that same which Peru would have granted to her creditors.

In order to maintain position of absolute right in the premises, it would be useful, indeed indispensable, to produce an act showing *clearly and positively* the amount and the conditions wherein Peru owes said satisfaction.

Is there such an act existing?

Such act does exist. It is the contract concluded at Paris, January 7, 1880, between the Crédit Industriel and Messrs. Rosas and de Goyenêche, mandatories of the Peruvian nation, by virtue of a special law, regularly and constitutionally voted by Congress October 10, 1879.

This contract stipulates that under condition of a rent or duty per ton for all guano and nitrate exported in favor of Peru (articles 4 and 29), and under the sole reservation of duties arising from anterior contracts (1869–1876) for guano; 1875 and 1878, for nitrates (articles 24 and 33), all

deposits of guano and nitrate are definitively placed in the possession of a society, which binds itself to work the same and to devote the net product thereof to the complete extinction of the Peruvian loans; these two manures to be held as security.

Supported by this contract the governments, having right of intervention are judicially founded in requiring from Chili the restitution of the deposits of guano and nitrate under the conditions stipulated in the contract of January 7, 1880. But this contract was merely the formal and material consecration of rights which had been already formally conceded.

The only claim that Chili can set up legitimately would be to demand as war indemnity either all or part of the duties claimed by Peru.

ACCORD OF THE VARIOUS POWERS.

In order that the working of the deposits of guano and nitrate, under the aforesaid conditions, be protected against any ulterior difficulty and against all eventualities, it is indispensable that the working be placed under the direct protectorate of the powers ruling the creditors of Peru. It cannot be seen how either the Governments of France, England, or Italy, taking the initiative in mediation, can suscitate any objection to the intervention and protectorate hereinbefore mentioned.

It would be difficult to explain why any one amongst them should criticise the proposed ruling, inasmuch that this ruling in substance as well as in form is identical with that which said powers imposed on Tunis.. This is easy to establish.

RULINGS ON THE FOREIGN TUNISIAN LOAN.

(A decree of July 14, 1869, prepared at Paris, constitutes:)

An executive committee, composed of two Tunisian functionaries and of an inspector-general of finances; a supervising committee, composed of six members—two English, two French, and two Italian—elected by vote of the parties interested; a financial commission, composed of the two united committees.

An arrangement proposed by the financial commission and concluded March 23, 1870, stipulates:

1st. The fusion of the different claims.

2d. The actual surrender of the securities to the representatives of the creditors under the collective protection of England, France, and Italy.

3d. The management of the revenues surrendered by a council of administration acting in the interest and for account of the creditors, and under the supervision of the committee up to the extinction of the loans.

REGULATION OF THE FOREIGN PERUVIAN LOAN.

The contracts of *Crédit Industriel* stipulate, according to the arrangement of March 23, 1870:

1st. The fusion of the different loans. (Article 8 of the conditions and article 33 of the contract.)

2d. The actual surrender of the securities to the creditors. (Articles 2 and 27 of the contract.)

3d. The management of the revenues surrendered up to the extinction of the loans by a society acting in the interest and for account of

the creditors (articles 1 and 27 of the contract), under the control of committees elected by the French, English, Belgian, and Dutch creditors (articles 16 of the conditions), and of the officials of the State interested, (article 18 of the contract).

In order that the identity should be perfect there will only have to be added in the general interest the direct protection of the European powers ruling the Peruvian creditors.

If France, England, and Italy, who have manifested the desire to protect their citizens in their interests on the Pacific, really mean action, they are morally bound to insist upon the execution of the contracts of the *Crédit Industriel*, inasmuch that these contracts are the only ones which furnish judicially the measure and the conditions that should be imposed, and also that they are in themselves the reproduction, almost word by word, of a regulation which these same had already agreed upon to impose collectively on the Tunisian Government.

In Europe, outside of these three states, there are only Holland and Belgium who possess an interest in this arrangement, as their citizens have subscribed largely to the Peruvian loans. Holland has already declared herself ready to follow the initiative of the first three governments, and Belgium is declared to be in the same disposition.

Out of Europe there remains the United States, who may entertain a certain repugnance at seeing any European influence implanted or developed consequent upon a protectorate over the guano and nitrate deposits on the Pacific coast.

This difficulty, however, may be solved, for there exist reasons to believe that the United States would dislike much more the aggrandizement of Chili by the annexation of Peru, and thereby upsetting the equilibrium of the South American states, than a mere local European influence. The United States would, on the contrary, be well pleased to see the guano and nitrate deposits withdrawn from Chili, for by such withdrawal Chili would be deprived of her only means of dominating the other republics neighboring, and thus forming a Spanish confederation in the south which would be sufficiently powerful to cause ulterior fears or embarrassments in the north.

To sum up: Everything goes to prove that the interests of the European creditors of Peru are menaced by Chili, and that they can only be protected by the assumption of an extremely energetic stand.

The best, indeed the only, basis for such stand is furnished by the contracts of the *Crédit Industriel*, for they show precisely in what measure and under what conditions an adjustment can be claimed and exacted from Chili.

There is still less reason for hesitation in energetically insisting upon the execution of the contracts of the *Crédit Industriel*, both with regard to Chili as to Peru, in this, that said contracts must be regarded favorably by the powers interested either directly or indirectly in the adjustment of the Peruvian-Chilian difficulty, for these contracts are an assurance of the renewal of the service of Peruvian loans; are, further, in harmonious conformity with a financial precedent established by the European powers, and answer satisfactorily to certain political views of the United States.

PARIS, *June* 1, 1881.

[Translation.]

Programme of mediation between Peru and Chili.

PARIS, *July*, 1881.

1st. Neutralization of the deposits of guano and nitrate.

In order to spare the two states the irritation consequent upon a cession of territory, and to guarantee the creditors, whose security these deposits are, against further difficulties.

2d. Management of neutralized deposits confided to a credit establishment of undoubted standing and respectability.

In order to give confidence to all the parties interested in the engagements entered into.

3d. Basis of the management.

The contract of the *Crédit Industriel*, signed at Paris, January 7, 1880, and altered in a manner to satisfy all interests, guarantees:

1st. To Chili: The payment which it has demanded of £1 10*s.* per ton, or £450,000 per year, which would render it possible to make a loan to that state or to pay a reasonable war indemnity.

2d. To Peru: The amount that it has declared indispensable to its needs, £400,000 per year.

3d. To the bondholders: The remainder, which represents 3 per cent. of the nominal actual capital of the debt.

4th. Conversion of the nitrate debt;

In order to permit the redemption of the Peruvian guano debt and likewise to increase, if necessary, the payments promised to Peru and Chili (Article III).

5th. Establishment of a cable from Panama to Peru;

To aid in the development of the relations between this latter country and Europe, and in the re-establishment of its credit, a subsidy, which could be drawn from the conversion of the nitrate debt, might be appropriated to the benefit of this cable.

It can be affirmed that this programme, if proposed by the United States, would be supported by the principal states of Europe, whose citizens are creditors of Peru, especially by England, Belgium, and Holland.

DEDUCTION.

No. 1. The guano manipulation and mixtures, taken together, can produce per year, with a sale of 300,000 tons at £12		£3,600,000
From which must be deducted:		
I. Freight and expenses, at £4 per ton	£1,200,000	
II. Rent to Chili, at £1 10*s.* per ton	450,000	
III. Rent to Peru, at £1 per ton	300,000	
IV. Rent to Dreyfus, at £1 per ton	300,000	
		2,250,000
Balance		1,350,000
Remuneration to the managing company		270,000
Balance to be distributed annually to the bondholders		1,080,000
Or 3 per cent. of the nominal capital of the debt.		
No. 2. The working of monopolized nitrate can produce per year, at the rate of 200,000 tons, sold at £14		£2,800,000
I. Manufacture and transportation to the coast, £6 per ton.	£1,200,000	
II. Freight and expenses, £4 per ton	800,000	
III. Payment to Chili, 10 per cent. per ton	100,000	
IV. Payment to Peru, 10 per cent. per ton	100,000	
		2,200,000
Balance		600,000
Remuneration to the company of management		120,000
Balance to be distributed per year		480,000

Of which the division might take place:	
I. For the payment of interest, and for the amortization of the debt of the proprietors of the nitrate works, which now requires 8 per cent. interest and 2 per cent. amortization per year, or £400,000 per year, and which might be reduced to, say, an interest of 5 per cent. and 1 per cent. amortization, and converted into transferable bonds, which, being negotiable in Europe, would pay to the holders more than they would lose at the rate of exchange, say	240,000
II. Subsidy to a cable between Peru and Panama	60,000
III. Amount assigned to an early redemption of the foreign Peruvian debt until the Dreyfus debt has been extinguished, and until it can act by means of the amount now assigned to Messrs. Dreyfus & Co	180,000
	480,000
The combination then renders it possible to assign each year:	
I. To Chili £550,000, say, on guano	450,000
And on nitrate	100,000
	550,000
That is to say, an annual payment more than sufficient to be able to secure a loan in Europe of more than	5,000,000
II. To Peru £400,000, say, on guano	300,000
And on nitrate	100,000
	400,000
That is to say a sufficient amount to meet its legitimate needs.	
III. To foreign bondholders £1,260,000	
Or as interest	1,080,000
And as amortization	180,000
	1,260,000

That is to say an inferior revenue to that of £2,600,000, but perfectly sure; besides being protected from every contingency by neutralization.

It is sufficient to read the above programme and the figures which follow from it to recognize—

a. That the combination is acceptable to the two states, since it permits peace to be made without irritation to their *amour propre*, at the same time assuring to each of them a large pecuniary compensation.

b. That the combination is acceptable to the creditors of Peru, since, in return for the abandonment of a portion of their interests, it gives them a security that they have never had before.

c. That the combination is presentable by a mediator, since it sacrifices no one, and allows the two states to recover their credit, the ruin of which would produce embarrassment in the commercial world.

NOTE.

The notes and information relative to the settling of the pending question between Peru and Chili have been constantly presented by the "Compagnie Financière et Commerciale du Pacifique," in the following points of view:

1°. The political and territorial preservation of Peru.

2°. Monopolized sale of the two only products that could afford, in a certain measure, the means of satisfying the interests of the exterior creditors of Peru, whoever they may be.

3°. The apportionment, under the care of the "Compagnie Financière et Commerciale du Pacifique," of the product of the monopolized nitrates and guanos, to the several parties concerned, and according to the basis adopted at the moment of the conclusion of peace.

1°. *The political and territorial preservation of Peru.*

All national or political consideration is foreign to the opinion expressed on this subject.

But victorious Chili, the real possessor to-day of a considerable part of the Peruvian territory, does not seem to be able to extricate herself from the following dilemma:

The right of nations, the elementary principles of international right, oblige a state who annexes unto itself a territory to assume the liabilities that burden that territory in favor of third parties. (See the consultation herein annexed.)

In the particular case now in point, the European States have had, in 1865, the opportunity of formally expressing that opinion, when the Chinchas Islands, on which the principal deposits of guano were situated, were momentarily occupied by the Spanish fleet, under the orders of Admiral Pinson.

If Chili occupied the whole of the Peruvian territory, if she enjoyed the totality of the products of that territory, she would be unquestionably responsible for the totality of the exterior debts of that country.

If, instead of withholding the totality of the territory, Chili were to retain only a part of it, the province of Tarapaca, for instance, she would evidently have only to support the liabilities resulting from exterior debts in a determined measure, proportionately to the value or the product of the territory annexed to its states.

But Chili cannot leave on Peru the whole burden of her exterior debts, and appropriate the revenues intended for the payment of those debts. She must, in one word, shoulder the assets and the debts of the territorial power to whom she succeeds.

The claim expressed on this subject by Chili, to obey no other but her own will and the law of her interests, to dispose of the resources of the vanquished without regard to the mortgages with which they are burdened, appears excessive and contrary to all the recognized principles in similar cases.

If, therefore, the total or partial conquest of Peruvian territory is rendered impossible by the charges imposed on the conqueror, any reasonable mind must come to this conclusion:

That in her own interest Chili must end by respecting the Peruvian territory, either in its integrality or in the greater part of its extent.

But if Peru subsists as a state, the necessary consequence of this fact is the maintenance of a budget that will allow to meet the necessary expenses of both government and administration.

It is owing to this order of ideas, the application of which will force itself at the moment of the conclusion of the peace, that we have taken into consideration the imperious necessities of Peru, and the urgency of satisfying them in a certain measure.

2°. Monopolized sale of the two only products that could afford, in a certain measure, the means of satisfying the interests of the exterior creditors of Peru, whoever they be.

The creation of the "Compagnie du Pacifique," in consequence of the treaty of January 7, 1880, is the practical realization of the idea of the *re-establishment of the monopoly of sale.*

Without this monopoly, that is under the present law of competition, the gross price of guano cannot rise much beyond the actual market price of £8; that is, £2,400,000 for 300,000 tons gross weight.

With this monopoly there is reason to hope that, without greatly curtailing the sum total of the sales in Europe, the old price of £12 could be obtained; that is, $3,600,000 for 300,000 tons gross weight.

Moreover, competition increases the price of freight, of expenses, &c., which will also affect the net total of the sum to be divided.

Now, therefore, the monopoly can only be reconstituted through the agency of the "Compagnie Financière et Commerciale du Pacifique," because this latter has become, or is going to become, after long and difficult negotiations, the comptroller of the totality of the stock of guano (about 600,000 tons) existing at this present moment in Europe.

We have explained in a special note the reasons that advised the submitting of the nitrates of soda to the same rule of monopoly as the guanos.

Without re-entering upon the details furnished on this subject, we will recall that the principal of these reasons are:

1°. The necessity of regulating the importations of guano and nitrate to Europe, these two products, though chemically constituted in a different way, competing with each other in a certain measure.

2°. The study of the means to satisfy with the greatest facility the ancient owners of the niter beds of Peru, dispossessed by the government of that country.

3°. The necessity of regulating in a profitable manner for all parties the movement of a trade that interests Bolivia as well as Peru.

4°. The means of finding in the sale of nitrate, rendered as profitable as possible, a supplementary resource enabling the settlement of the very difficult financial questions involved in the conclusion of peace.

Chili seems only to oppose to the establishment of the monopoly of the sale of nitrate, theories of political economy, inspired by private interests, which are very little in harmony with the imperious necessity created by circumstances.

III°. The apportionment, under the care of the "Compagnie Financière et Commerciale du Pacifique," of the product of the monopolized guanos and nitrates to the several parties concerned, and according to the basis adopted at the moment of the conclusion of the peace.

Several calculations have been submitted on the subject. They all start, as regards the guano, from this very probable fact, viz, that the real expenses necessitated by the importation and sale of guano will not exceed, under the rule of monopoly, £4 plus 10*s.* the *carguio per tonne.*

It is therefore the surplus that is to be assigned on bases that can be slightly modified in one sense or the other.

The question is, consequently, to fix: 1°. The order in which the apportionment of the net product is to be made. 2°. The proportion in which each of the parties concerned is to participate in it.

These parties are:

1°. The firm of Dreyfus, acknowledged creditor of the Peruvian Government for an important sum.

2°. The holders of Peruvian loans, 1870 and 1872.

3°. The holders of certificates delivered by the Peruvian Government, in exchange of the value of the appropriated niter-beds.

4°. Peru, if that state subsists either totally or partially.

5°. The Chilian Government.

We have followed in this statement, as regards the three first classes of claims, what is supposed to be the chronological order of pre-existing rights.

But this order can be modified so far in the conclusion of a treaty of peace as to give to Chili the first rank in the division of the product, that is, so far as to give her the certainty that the annual sum which

will be her share will be paid her after the *campagnie*, as vendor, will have been reimbursed for the expenses incurred in the operation.

The bondholders that have been sacrificed up to this moment have every right to be protected; and even if they are only called upon to receive what will remain after all other interested parties have taken their share, it is necessary, at least, that this portion should be reasonable, and should not render the promises made to the exterior creditors of Peru either ridiculous or vain.

That this should be, it is necessary, in any case, that guano sold under monopoly should be assessed more than £8 per ton, thus: £4 for freight, storage, and expenses inherent to the product; 10*s.* the *carguio;* £3 10*s.* to be divided between Chili, Peru, and the firm of Dreyfus, in the order and in the proportion which will be adopted.

What will remain, after deducting the above-mentioned assessments, will constitute the share of the bondholders and of the *compagnie*, at the rate of 80 per cent. for the former, and of 20 per cent. for the latter

Supplementary observation of the means of converting into cash the sum assigned to one or the other of the belligerents.

If Chili is called upon to receive the product of the guano and nitrate, after the reimbursement of the expenses, and if the neutralty of the deposits of these two products is guaranteed by the Government of the United States, the "Compagnie du Pacifique" might well bind itself to pay to Chili, at fixed annual periods, the sum amounting to the duty assigned in her favor by the treaty of peace.

But this engagement cannot be absolute. It is evidently subordinate to the existence of a stock of guano sufficient to enable the exportation of this product to be made in the foreseen amount. It is equally subordinate to uncontrollable circumstances which might for a moment render the sale of guanos impossible on those markets where it is at present demanded.

The "Compagnie du Pacifique" is not constituted with a view of taking the place of the belligerent states, and of being a guarantee, in any case, of one with respect to the other. Its statutes force it to remain within the limits of its mandate, which is the one of a loyal trustee intrusted to sell a product on the best terms possible, and to faithfully divide its price.

Therefore it is impossible, if there is a loan to be contracted, that the *compagnie* should assume towards the public the absolute engagement to pay, which cannot be the work of a financial establishment, and that she should take in that respect a responsibility that can only be usefully assumed by a state.

If the annuity assigned to Chili by the treaty of peace is to be immediately converted in a sum necessary to the financial wants of that state, that operation can only take place by the direct intervention, with respect to the creditors of one or the other of the nations concerned.

Peru has nothing to hope from European capital, having been deprived of all reputation for solvency even before the present crisis.

But Chili can convert the annual sum that the treaty of peace will assign her, in a sum proportionate to her wants. She can do it all the more easily, as her credit on the European markets, consolidated by a great punctuality in meeting her engagements, has never been assailed.

This solution is imperious, for there exists no other, whatever may be the desire to pay in cash the ransom of Peru, and thus to simplify the conclusion of a treaty of peace.

Chili may easily obtain more than £6,000,000 to £7,000,000 net from a loan based upon the dues that the guanos and nitrates will secure her.

The safety of the security on which this loan will rest will be increased by the intervention of the United States, and Chili will obtain, on that score, all it can expect from a vanquished enemy, who gives her all it can offer.

The "Compagnie du Pacifique" has informed the Chilian Government, that, in connection with other large financial establishments, it was quite ready to negotiate an operation of the nature of the one in discussion.

It is ready to undertake the active pursuit of such negotiations as soon as circumstances will render them opportune.

PARIS, *July* 25, 1881.

Memorandum in regard to the double programme to be followed by the Pacific Company.

DECEMBER 8, 1881.

The attitude of the United States Government is now perfectly well defined. It has decided to *interfere* for the purpose of putting an end to the conflict between the two southern republics, and of enforcing a peace, having for its basis the principles of the memorandum addressed by Mr. Hurlbut to General Lynch on the fourth day of August, 1881, that is to say, "*without any cession of territory on the part of Peru, but with the payment of a reasonable war indemnity to Chili.*"

In the anticipation of this contingency, Mr. Guillaume proposed to the United States, on the 27th day of September, 1880, through Mr. R. Randall, a programme whose execution was guaranteed, at the request of the minister of state, by the Crédit Industriel, and which is now guaranteed by the Financial and Commercial Company of the Pacific, acting in its stead. (See letter of October, 1880.)

This programme, which was somewhat defective, owing to the fact that certain rights of third parties were to be protected, was somewhat modified and corrected in July, 1881, and has been finally prepared in a permanent form as follows:

It is upon this programme, whose execution has been formally guaranteed, that the following authorities have based their action:

On the one hand the Washington Cabinet, in order to offer a war indemnity to Chili; on the other hand, President Garcia Calderon, in order to affirm and declare, over his own signature, that he was prepared to pay said indemnity.

Consequently the Pacific Company must be able to fulfill its engagements as soon as it shall receive notice to do so, since present events concern, in a manner, it alone.

It is evident that if everything went on according to the wishes of the Pacific Company, that is to say, if Chili should accept either, purely and simply, the contingent amount for which provision is made in the programme, or should be willing to give her signature to a loan which, on the basis of an annual payment of £550,000, may be raised to £8,000,000 net against the assignment of the said payment, nothing would be easier, because, in the first case, the amount yielded by guano and nitrate exceed the sums to be guaranteed nearly fourfold; and be-

cause, in the second case, a loan issued with the signature of Chili would be taken up so rapidly that the issuing syndicate would do well to consider whether it would not be to its own interest to take the whole amount of said loan, and to dispose of it afterwards at the stock exchange.

Political events, however, often deceive all foresight, and particularly in the present case must we make allowance for mistakes in calculation.

Everybody knows, for it has been superabundantly demonstrated by facts, that Chili ardently desires to annex the province of Tarapaca.

If that state is forced to conclude a peace without being permitted to annex any territory, it is to be expected that it will raise all imaginable difficulties, among others that it will require the promised payment of a war indemnity, while refusing its signature to a loan, since such a refusal, as Chili is probably aware, may be of a nature to cause the failure of the whole combination.

Chili may be told that if she had kept Tarapaca, she would have been obliged to lend her signature, if she had desired to negotiate a loan, that is to say, to discount the amount imposed by her upon the guano and nitrate deposits; that consequently nothing abnormal is asked of her; that, in fact, if guano and nitrate are to serve for the payment of the war indemnity, which she claims, she cannot require such payment, except on condition of pledging herself by signing bonds for the payment of principal and interest, in case that which has served as security should disappear or become no longer available.

Chili can with difficulty refute this argument, but she may easily answer that; if she had kept Tarapaca, her intention was not to negotiate any loan for the sake of not increasing her liabilities in case of the exhaustion or unavailability of the guano and nitrate.

The Pacific Company may therefore content itself with an annual payment.

Here too, however, Chili may raise a new difficulty by demanding, as will be just, to occupy and work the deposits herself by way of a guarantee. This will create a new difficulty, for occupation on such conditions will be equivalent to annexation, not to mention the fact that Chili will wish to intrust the working of the deposits to a house of her own choice.

There is but one means to overcome this obstacle, and that is to offer and guarantee the payment of the war indemnity in a number of reliable and fixed annuities, in case of Chili's refusal to lend her signature to a loan.

And as Chili will not be contented with exacting for herself, but will also wish to exact for the bondholders, in order to increase the difficulty, owing to her anger at being expelled from Tarapaca, the annuities to be guaranteed will have, at the same time, to comprise the indemnity to Chili, the payment of the Peruvian loans, and the amount due to Dreyfus, together with a payment to Peru, since the latter state will well understand that if it stipulate for nothing for itself, it will be running the risk of getting nothing.

The conclusion is that the Pacific Company must provide for the case of being obliged to propose the purchase of a large quantity of guano and nitrate, for it does not seem to be able, consistently with a due regard to the interest of its stockholders, to think for a single instant of abandoning the favorable situation which is apparently created for it by the course of events.

Let us therefore examine what may be the quantity to be purchased, the price to be offered, and the risks attending the operation.

PURCHASE SUBSTITUTED FOR CONSIGNMENT.

1st. *Quantity.*—In the programme an annual payment has been planned of £550,000 in favor of Chili.

This sum capitalized at 5 per cent. interest, and one per cent. amortization, represents, at the rate of 82 per cent. (including commission and expense of emission), the net amount of £8,000,000 in round numbers.

This amount has been fixed upon on the hypothesis of a loan bearing the Chilian or Chilio-Peruvian stamp, and estimating—1st. That that amount could not be exceeded without sacrificing the Peruvian creditors. 2d. That inasmuch as the war can hardly have cost the Chilian treasury more than six million pounds sterling (which may easily be verified), the sum of £2,000,000 offered a very reasonable indemnity, especially if we consider the sums which have already been paid by the Peruvians as war contributions, or by the custom-houses.

As it is hardly probable that Chili will accept less than £8,000,000, it is this amount which, being divided by the annuity provided for in the programme (£550,000), will determine the number of fixed annuities to be paid to Chili in the case above provided for in which that state, refusing to lend its signature to a loan, should require the purchase of the guano.

Fifteen annuities will, therefore, be required in order to pay £8,000,000. This gives, as the quantity of guano and nitrate to be purchased, at the rate of £300,000 per annum of the former, and £200,000 of the latter: 4,500,000 tons guano; 3,000,000 tons nitrate—total, 7,500,000 tons.

2d. *Purchase price.*—In 1869 Mr. Dreyfus purchased of the Peruvian Government 2,000,000 tons of guano, at the rate of 36 sols each (round numbers), or at the fixed rate of exchange of 45 pence per sol, one hundred and sixty-two francs and fifty centimes, or *six pounds ten shillings per ton.*

In 1876 the Peruvian Company took the consignment of 1,900,000 tons of guano at the rate of a forfeit for expenses of four pounds fifteen shillings, plus ten shillings for expenses of * * * [illegible]. The average selling prices, with competition, and without considering the qualities, amounting to £9 10*s.* The net amount yielded by each ton was therefore £4 5*s.*

In 1880 Mr. Dreyfus accepted, with undisguised joy, a settlement of his claim against Peru in guano at £5 per ton. Knowing, first, that Mr. Dreyfus realized, with his monopoly, at least £2 profit on each ton purchased by him at £6 10*s.*

2. That the Peruvian Guano Company realized at least, with competition, £1 profit on each ton, yielding net £4 5*s.*

3d. That Mr. Dreyfus expected to realize at least £2, with competition, on each ton accepted by him, at the rate of £5—£15 15.

It may be confidently asserted that the average yielded by these three amounts (£5 5) represents the price at which all the guano in Peru may be purchased, not only without risk, but with a profit of more than £2 per ton, it being understood that that price is for a standard of 7 per cent. of azote and 14 per cent. phosphoric acid, and that a monopoly in selling is to be enjoyed.

As to nitrate, its selling price has always been proportioned to that

of guano; that is to say, between £16 and £14, the highest price having been £16, which was during the time of the monopoly of guano under Mr. Dreyfus, and the lowest having been £14, at the time when there was competition.

If we may take as an average selling price, knowing that nitrate costs about £10 for manufacturing, transportation, and sale, we may confidently fix the purchase price at £8, with the certainty of £2 profit per ton, providing always that the article be of uniformly good quality.

3d. *Risks.*—The trade in guano and nitrate being a cash one, presents no risks in itself. The only drawbacks to be expected in the case of a very large operation, at long time, are those offered by the competition of fertilizers in consequence of improvements in chemistry, or by the increase of necessary expenditures owing to high freights. There have been no others, for European agriculture (and this will soon be the case with that of America) cannot do without fertilizing material, and calls for increased quantities every year. The price paid, moreover, is in proportion to the quality.

POSSIBLE COMPETITION.

In addition to the barn-yard, the pigeon-house, and the privy, the manure yielded by which is necessarily limited in amount, all other fertilizers need, in order to be rendered serviceable, to be artificially enriched with azote and phosphoric acid, or else with substances taken from guano itself, or with chemical productions.

It is, however, to be remarked that azote and phosphoric acid cost, when manufactured and added to poor fertilizers, almost as much as the same elements do when sold in nitrate and guano, not to mention the fact that it has been proved, not once, but a thousand times, that azote and phosphoric acid, when artificially added to fertilizers, are far from having the same fertilizing properties that they do when naturally contained in guano and nitrate.

Consequently before the competition of the rivals of guano and nitrate can become at all formidable, two conditions must be fulfilled, which are now admitted to be impossible: First, the manufacture at an extremely low price, and in enormous quantities, of azote and phosphoric acid; second, the artificial addition of these two elements, equaling their natural formation and combination in guano.

More than fifteen years will certainly be required before such a result can be reached, and in order to convince oneself of this fact, it is sufficient to call to mind the great number of efforts which have been made for this purpose, and their constant failure.

High freights.—An increase in the rate of freights may seem to be probable, owing to the general tendency to substitute steam-vessels for those propelled by sails.

In the first place, guano and nitrate make a bad cargo for iron-built steam-vessels. Hence, as long as there is any guano and nitrate, it is certain that there will be sailing-vessels to carry these substances, because the cost of construction of a sailing-vessel being relatively small and freights being certain, it will always be to the interest of shipowners to use them.

If the grain of California, cotton, and wool are conveyed by steam more and more every year, this is not owing to any revolution in the merchant marine, but only to speculation, which demands speedy arrivals in consequence of sales in which the goods sold are to be delivered at a fixed time, and of competition; these cases will never arise

for guano, which is without a competitor, and with which the markets can readily be stocked a long time beforehand, as prices are fixed and the article does not deteriorate.

Yet, admitting for an instant, that sailing-vessels are to disappear, will the consequence be that freights by steamers will be enhanced? This is very doubtful, because as a steam-vessel can make two trips while a sailing-vessel is making one, the former can put its freights at the same figure, owing to the fact that the crew is paid for two trips while they would be paid for but one on board of a sailing-vessel. Moreover the rates of insurance on board of a steamer are considerably lower than they are on board of a sailing-vessel. The fact, besides, has been already demonstrated by the grain of California, which is conveyed by steamers at the same rates as by sailing-vessels.

In addition to which the substitution of steamers for sailing-vessels will necessarily increase the consumption of coal, and consequently its transportation to the southern seas, which will render very advantageous rates of freight possible.

Finally, in six years a ship-canal will have been built through the Isthmus of Panama. As the distance between Peru and Europe will thereby be considerably diminished, the necessary consequence will be a reduction in the rates of freight between those countries.

Thus all the probabilities are in favor of a reduction in the rates of freight, rather than of an increase of the same, within a period of fifteen years.

To sum up:

The United States and Peru have assumed their present attitude of resistance to the pretensions of Chili, basing their action upon formal engagements of the Crédit Industriel.

The Pacific Company, which has assumed the engagements of the Crédit Industriel, must therefore, from proper regard both for its own standing and its responsibility to the stockholders, who have placed confidence in its promise to secure the working of the guano and nitrate, prepare to carry out the programme of September 27, 1880, either in the form of a consignment with a loan, or of a purchase at a fixed price.

Whatever may be the solution of the question, the experience of the past and the conditions of the future clearly show that there is no risk save that of gaining a little more or a little less, and that it is even possible that more may be gained in the form of a purchase than in that of a consignment.

No. 441.

NOTE.—*The following extracts are taken from the Official Registers of the Department, and show that the several communications therein indicated were received in the ordinary course of business, and belong to the files of the Department. A careful search fails to show that they are now in the Department:*

Mr. Shipherd to Mr. Blaine, May 21, 1881:

"Peruvian Company organized for the purpose of paying the claims of American citizens against Peru for violation of guano contracts, foreign bondholders, Chilian war indemnity, &c., providing Peru will give it the right to work guano-beds, &c.; prospectus of company with other papers inclosed; requests protection of the United States."

Mr. Shipherd to Mr. Blaine, May 25, 1881:

"Peruvian Company, prospectus of, with other papers inclosed; asks that the documents be presented to Mr. Hurlbut, and that he be granted an interview before Ministers Kilpatrick and Hurlbut go to their posts."

Mr. Shipherd to Mr. Blaine, May 31, 1881:

"Peruvian Company refers to conversation had with the United States minister to Peru, and states that they are ready to advance money to Chili, &c., providing the United States will support them in their legal and equitable rights, &c.; desires a personal discussion with President and Secretary of State relative to."

Mr. Shipherd to Mr. Blaine, June 4, 1881:

"Peruvian Company, transmits letter of 2d instant, addressed to S. A. Hurlbut, United States minister to Peru, giving his observations concerning the plans, intentions, and wishes of the company in their claim to the ownership of the guano deposits discovered by Cochet, &c., and requesting minister's comments thereon."

Mr. Shipherd to Mr. Blaine, June 21, 1881:

"Peruvian Company submits a translated reprint of an old Peruvian pamphlet relative to Cochet guano claim."

Mr. Fisher to Mr. Evarts, July 13, 1879:

"Neutrality of the United States in the Chili and Peru-Bolivian war; torpedo-boat shipped from the United States to Peru was seized by request of Chilian consul at Panama; other shipments of similar nature are expected, suggests that the United States consul at Aspinwall be instructed to examine suspicious-looking packages."

Same to same, July 14, 1879:

"War between Chili and Peru.Bolivia; progress of recent engagements; general review of the position of the belligerents."

Same to same, November 7, 1879:

"War between Chili and Peru-Bolivia; reports progress of."

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MESSAGE

FROM THE

PRESIDENT OF THE UNITED STATES,

TRANSMITTING,

In further response to the Senate resolution of December 13, 1881, *a report of the Secretary of State, embodying the purport of a recent telegram from the special envoy of the United States, setting forth the conditions of peace presented by Chili.*

JANUARY 27, 1882.—Read and referred to the Committee on Foreign Relations and ordered to be printed.

To the Senate of the United States:

I transmit herewith, in further response to the Senate resolution of the 13th December, 1881, a report of the Secretary of State, embodying the purport of a recent telegram from the special envoy of the United States, setting forth the conditions of peace presented by Chili.

CHESTER A. ARTHUR.

EXECUTIVE MANSION,
Washington, January 27, 1882.

To the PRESIDENT:

In further response to the resolution of the Senate of the 13th ultimo, calling for correspondence touching affairs in and between Chili and Peru, the Secretary of State has the honor to lay before the President the purport of a cipher telegram from the special envoy lately sent out to those countries.

Mr. Trescot, in this telegram, reports that he has had several confidential conferences with the minister for foreign affairs of Chili; that the Chilian Government disclaims any intention of offending the Government of the United States in the arrest of President Calderon and his removal to Chilian territory; that the good offices of the United States will be accepted by Chili; and that the Chilian authorities will facilitate conference between the United States' special envoy and the provisional government of Peru, with the exception of Señor Calderon. The terms of peace presented by Chili embrace the following points: Absolute cession of the Tarapacá district and, in addition thereto, the payment of an indemnity of twenty millions, payable in ten years, during all of which time the positive occupation of Arica by Chili is required, and, should the indemnity be unpaid, Arica is also to be ceded to Chili, and, besides this, Chili is to appropriate the guano deposits of the Lobos Islands. In event of Peru refusing the conditions named, the Chilian Government would decline any further proffer of the friendly interference of the United States.

The remainder of this telegram is obscure, and it is uncertain whether the Department of State is able to translate from the cipher the exact language, or even to obtain the sense of the sender. For this reason, as well as from a wish to avoid disclosing the cipher of the Department, the substance only of the dispatch is sent.

Respectfully submitted.

FRED'K T. FRELINGHUYSEN.

DEPARTMENT OF STATE,
Washington, January 27, 1882.

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47TH CONGRESS, 1st Session. } HOUSE OF REPRESENTATIVES. { Ex. Doc. No. 68.

PEACE BETWEEN CHILI AND PERU AND BOLIVIA.

MESSAGE

FROM THE

PRESIDENT OF THE UNITED STATES,

TRANSMITTING

A report from the Secretary of State, in response to a resolution of the House of Representatives, touching the efforts of the United States to bring about peace between Chili and Peru and Bolivia.

JANUARY 26, 1882.—Referred to the Committee on Foreign Affairs and ordered to be printed.

To the House of Representatives:

I transmit herewith a report of the Secretary of State, with accompanying papers, furnished in response to the resolution of the House of Representatives of the 24th January, calling for correspondence touching the efforts of this government to bring about peace between Chili and Peru and Bolivia, and touching claims against or contracts respecting either of the belligerent governments.

CHESTER A. ARTHUR.

EXECUTIVE MANSION,
Washington, January 26, 1882.

To the PRESIDENT:

The Secretary of State, to whom was referred the resolution of the House of Representatives of the 24th instant, requesting the President, "if, in his opinion, it be not incompatible with the public interest, to communicate to the House all correspondence between the Government of the United States and its diplomatic and other agents, or between this government and European governments, occurring since the first day of April, 1879, except such as has been already communicated to Congress, relating to the efforts of this government to bring about peace between Chili and Peru and Bolivia, and all communications of any nature made by our government to either of those countries in relation to the war; and also copies of all communications and documents from diplomatic agents, or from any private individuals, companies, or corporations, concerning any claims against or contracts respecting either of the belligerent governments," has the honor to lay before the President the following correspondence, in answer to that resolution.

In response to a resolution of the Senate of the 13th of December last, the Secretary, on the 24th instant, had the honor to transmit to the President the same correspondence which is here inclosed, and he respectfully refers to the letter covering those papers for a description of their nature and character.

Except as shown in the inclosed papers, the Secretary of State knows of no papers on file in this department relating to claims against or contracts respecting either of the belligerent governments.

Respectfully submitted.

FRED'K T. FRELINGHUYSEN.

DEPARTMENT OF STATE,
Washington, January 26, 1882.

[For papers referred to above, see Senate Executive Document No. 79, first session Forty-seventh Congress.]

THE WAR ON THE PACIFIC.

MESSAGE

FROM THE

PRESIDENT OF THE UNITED STATES,

TRANSMITTING

A communication from the Secretary of State, in response to a resolution of the House of Representatives, requesting a further compliance with the call for correspondence on the war on the Pacific.

FEBRUARY 17, 1882.—Referred to the Committee on Foreign Affairs and ordered to be printed.

To the House of Representatives:

In answer to the resolution of the House of Representatives of the 6th instant, requesting a further compliance with its call for correspondence respecting the war on the Pacific, I transmit herewith a report of the Secretary of State and its accompanying papers.

CHESTER A. ARTHUR.

EXECUTIVE MANSION,
Washington, February 17, 1882.

DEPARTMENT OF STATE,
Washington, February 17, 1882.

The Secretary of State, to whom was referred the resolution of the House of Representatives of the 6th instant, requesting the President "in further compliance with the resolution of the House of the 24th ultimo, to furnish this House with a complete transcript of the letters of Jacob R. Shipherd, esq., of New York, dated June 2, August 19, September 28, and November 15, 1881, and of the replies thereto now in the files of the Department of State, also copies of any other letters already communicated, from which names of persons and firms have been omitted, and that the President be requested to inform this House what measures have been taken to recover the letters declared to be missing from the files of the Department," has the honor to report to the President as follows:

1st. That complete transcripts of the letters referred to in the resolution by names and dates, and of other letters already communicated

from which the names of persons and firms have been omitted, are herewith returned, together with a list of the same.

2d. That the only reply on file in this Department to the said letters of Jacob R. Shipherd is dated December 17, 1881, and is herewith returned.

3d. The measures taken to recover the letters declared to be missing from the files of the Department were a careful search in the files and archives of the Department, and a request for similar searches made to all persons connected, or formerly connected with the Department, into whose possession said letters might have come in the course of business. It is believed that in all cases when such requests were made searches were made which proved to be fruitless. The search in the Department, as has already been reported, was equally fruitless.

Respectfully submitted.

FRED'K T. FRELINGHUYSEN.

The PRESIDENT.

LIST OF ACCOMPANYING PAPERS.

No. 1. Mr. Christancy to Mr. Evarts, No. 178.....June 19, 1880.
No. 2. Same to same, No. 183.....July 5, 1880.
No. 3. Same to same.....May 4, 1881.
No. 4. Mr. Shipherd to Mr. Hurlbut.....June 2, 1881.
No. 5. Same to same.....June 2, 1881.
No. 6. Same to same.....August 19, 1881.
No. 7. Mr. Camacho to Mr. Arizola.....August 20, 1881.
No. 8. Mr. Shipherd to Mr. Hurlbut.....September 19, 1881.
No. 9. Same to same.....September 28, 1881.
No. 10. Mr. Shipherd to Mr. Blaine.....October 10, 1881.
No. 11. Mr. Shipherd to Mr. Kilpatrick.....October 19, 1881.
No. 12. Mr. Shipherd to Mr. Hurlbut.....October 27, 1881.
No. 13. Mr. Hurlbut to Mr. Blaine, No. 25.....November 2, 1881.
No. 14. Mr. Arizola to Mr. Shipherd.....November 9, 1881.
No. 15. Mr. Shipherd to Mr. Hurlbut.....November 15, 1881.
No. 16. Same to same.....November 15, 1881.
No. 17. Same to same.....November 16, 1881.
No. 18. Mr. Hurlbut to Mr. Blaine, No. 28.....November 23, 1881.
No. 19. Mr. Shipherd to Mr. Hurlbut.....November 26, 1881.
No. 20. Same to same.....November 29, 1881.
No. 21. Mr. Hurlbut to Mr. Shipherd.....December 17, 1881.

CORRESPONDENCE.

No. 1.

[A complete transcript of the dispatch on pages 372-373 of Senate Ex. Doc. No. 79, Forty-seventh Congress, first session.]

No. 266.

Mr. Christiancy to Mr. Evarts.

No. 178.] LEGATION OF THE UNITED STATES,
Lima, Peru, June 19, 1880. (Received July 29.)

SIR: Referring to my dispatch No. 177, on the progress of the war and the prospects of peace, I have to say that no conflict of arms has since taken place, either by sea or land, so far as known here. But on the 17th instant notice was given by the Chilian admiral of the blockade of Chancay, some 18 miles north of Ancon, and that 48 hours only were given for neutral vessels to quit the port.

There was, however, an American vessel, the Spartan, Captain Crossley, in that port, who represented to me that he could not get on board the necessary ballast in that short time; and there was also an English vessel in a like situation. I therefore suggested to Captain Brown, of the Alaska, that it might be well for him to see the Chilian admiral on the subject, which he did yesterday and obtained three additional days' time for the purpose, for the benefit of all the neutral vessels in that port.

I may, I hope, properly add here that Captain Brown is very highly appreciated by the officers of all the neutral naval vessels here.

From all the information which has yet reached here, though unofficial (a part of it comes, however, from our consular agent, Nugent, verbally reported by him to the officers of the last English mail steamer from the south), but generally believed here by the foreign legations, as well as by the public at large, the Chilian soldiery committed the most cruel excesses at Arica, upon the capture of that town, killing and robbing indiscriminately all the people they met in the streets and houses of that place, and behaving more like a band of roving savages than like a regularly organized soldiery of a civilized nation, and though they, in a modified sense, respected our flag, so far as our consular agent was concerned, not taking the liberty to kill him, yet that they completely stripped him of his personal property, taking even his clothing.

Such are the reports, the truth of which, however, I cannot vouch for. The consular agent has not yet written me, or rather I have *received nothing* from him. Some allowance, doubtless, must be made for the license of the soldiery in a place taken by storm. But their conduct seems, so far as property was concerned, to have been the same as at the taking of Mollendo, when there was no resistance and no opposing military force.

For the question of peace, I refer you to my next dispatch, No. 179.

I have, &c.,

I. P. CHRISTIANCY.

No. 2.

[A complete transcript of the dispatch on pages 379–381 of Senate Ex. Doc. No. 79. Forty-seventh Congress, first session.]

No. 269.

Mr. Christiancy to Mr. Evarts.

No. 183.] LEGATION OF THE UNITED STATES,
Lima, Peru, July 5, 1880. (Received August 14.)

SIR: Referring to my No. 179, on the progress of the war and the question of peace, I have the honor to inform you that no further operations have taken place on land. But we have some more reliable information of the battle of Tacna, and some which I think reliable of the taking of Arica and of the conduct of the Chilian soldiery at Tacna and Arica after all the fighting had ceased. Most of this information upon which I rely was given me by Mr. Emilio Larrieu, French consular agent for Arica and Tacna, who was at Tacna at the time of the battle and the next day, and went to Arica a few days after, and who came up on our frigate, Alaska, from Pisco here on my return from Mollendo. He says that the night before the battle of Tacna, Montero, the Peruvian commander, insisted upon making, and did, with part of his forces, undertake to make, a night attack upon the Chilian army; but that, in the darkness and confusion, they mistook their way, wandered about all night, and seen (but not attacked) by the Chilians, were only able to get back to their own lines at daylight, a few minutes before the battle of the 26th opened, and were compelled to go into battle hungry and thirsty and overcome with fatigue; that they nevertheless fought well, as did the whole of the allied force, until the Chilians brought in their reserves of three regiments, when the allies (who had no reserve) came in, when they finally fled; that the allied force did not exceed 7,000 or 7,500 men in the battle, and the Chilian force did not exceed 8,000, but the latter were much better supplied with artillery and Gatlings and that the loss on each side in killed and wounded was very nearly equal, but that the Chilian soldiers killed most of the wounded found on the field, which is the true reason why, according to all the accounts even from Chilian sources, the number reported killed of the allied forces was much or more than the number reported wounded; that after the battle all the allied officers found dead upon the field were stripped, robbed, and left naked, and all the privates stripped of every vestige of clothing of any value; that the allied army is completely broken up, Montero retreating with less than 1,000 men in the ranks, and Campero with still less.

He also says (contrary to the first reports received here) that there was but one day's fighting, the 26th, which was about 6 or 7 miles above Tacna.

It is right that I should say here that though Mr. Nugent, our consular agent at Arica, has not written me, Mr. Merriam, our consul at Iquique, sends me an extract from a letter written by Mr. Nugent to him, dated June 17, in which Mr. Nugent says:

> I was on the field immediately after the fight. * * * The number of killed on both sides is about 3,000, rather more of the Chilian than of the allied forces. The wounded from the two armies between 3,500 and 4,000.

He was not at Arica when it was taken, but went back there some days after, and he says:

> I must say that the behavior of the Chilians, both in Tacna and Arica, is most disgraceful. In Tacna the greater part of the houses have been robbed and many of

them destroyed. All the "*chacras*" (small farms, gardens, &c.) have been destroyed. Murders are committed every day. In fact, nobody is safe here now. In Arica they murdered the helpless and wounded, and gave very little quarter. In our house, the English consulate, they found a great many refugees, and took them out into the plaza and had them shot, and then sacked the house. The greater part of the town has been burned and sacked. The house in which I had my consulate was sacked, and I have been told that the flag was torn down and trampled upon, and during the night they set fire to it and burned it to the ground. I wish you (our consul at Iquique) to advise me as to this matter, and to let me know how to act. As I was not at Arica during the fight, I cannot tell whether it is true as regards the flag, but the person in charge of the house represents it to be true. As the house belongs to my family I should like to know whether I have any right to claim or not. If so, please let me know how to make it.

Now, in reference to this letter of Nugent, I have to say that I learn from Captain Brown, of the Alaska, that when he was at Arica some months ago Nugent kept his consular agency in the same house now spoken of by Nugent as the British consulate, and not in the house which was burned, which was the house belonging to his grandmother, Mrs. McLean, the best house on the west coast, over which he seems to have placed the American flag, but he may, prior to this affair, have removed his consular agency to this house, with the archives, and, in that event, I think the Chilians committed an outrage upon our government, but I must inquire into the facts before I can give him any advice. I do not know whether the American flag was also flying over the house where he formerly kept his office as consular agent, and from which the refugees were taken out and shot upon the plaza. If it turns out that the placing of the American flag upon the McLean house was but a ruse to preserve that house, and he really had not there established his consular agency, I shall advise him that, as a British subject, he must look for protection and advice to the representatives of his own government.

Now, as to the conduct of the Chilians at Tacna, I must say that the French consular agent represents it in a somewhat less flagrant form. He says that after the taking of Tacna there was but little of abuse or outrage in the city proper; some few houses plundered; two Italians and eight Chinamen killed, and in the suburbs and neighboring *chacras* general robbery and plunder.

As to Arica, after the town and forts had been taken and all resistance had ceased, the statements of the French consular agent to the outrages committed by the Chilian soldiery are more distinct and positive than those of Mr. Nugent. He says that after Arica had been taken and all resistance had ceased many inhabitants of Arica had taken refuge in the building where our consular agent had kept his office (as stated by Captain Brown, of the Alaska), and among them some Peruvian soldiers, who had changed their uniform for citizens' dress, had sought refuge in that house (whether the American flag was flying then I do not know), and that the Chilian soldiery, apparently under the command of their officers, came to the house and took out indiscriminately 59 men who were there—took them on to the public plaza and there deliberately shot them all.

This, if true, is not war, but deliberate wholesale murder, unprovoked by anything yet done by the allied forces, and, in the cause of civilization and humanity, calls for an indignant protest from all civilized nations.

The blockade of Callao and Ancon. As to these, nothing of importance has taken place since my last, until about 4 o'clock p. m. of the 3d July, when the Loa, an armed transport of the Chilian blockading fleet (an iron steamer formerly belonging to the English Pacific Steam

Navigation Company, but sold to Chili about the beginning of the war), was blown up and sunk by a Peruvian torpedo by a very clever *ruse de guerre* of the Peruvians.

It seems (for the special details I have heard are unreliable) that the Peruvians had prepared a small launch on the night of the 2d instant with 300 pounds of dynamite in the bottom, and covered this over with a full loading of poultry, ducks, potatoes, and other vegetables, some of which were, by concealed cords, attached to wires connected with the dynamite; that the Loa had been north, probably to Ancon, and was returning to join the fleet; that the Peruvians had, by a row-boat, towed this launch far out towards the Chilian fleet, and as the Loa approached from the north and made towards the launch to capture it, the Peruvian row-boat abandoned the launch and made for the shore, which they reached, a boat sent out by the Loa capturing the launch and taking it up alongside of the Loa as a prize; but while close to the stern of the Loa and being unloaded the explosion took place, completely blowing off the stern of the Loa, which sunk in four minutes with 140 men, some 60 alone of the crew escaping.

No proposition for peace has yet been received from Chili, and the preparations by the Peruvian Government and the tone of its decrees (which I will endeavor to send you by the next mail) show clearly that Peru is not disposed to offer terms, and that the war may be indefinitely continued.

The tone of the Chilian press and what is said by Chilian officers tend to show that the popular voice in Chili is for an expedition to Lima, to dictate terms of peace in the Peruvian capital.

I have, &c.,

I. P. CHRISTIANCY.

No. 3.

[A complete transcript of the dispatch, with names inserted, as printed on pages 485–490 of Senate Ex. Doc. No. 79, Forty-seventh Congress, first session.]

No. 329.

Mr. Christiancy to Mr. Blaine.

(Personal and confidential.)

LEGATION OF THE UNITED STATES,
Lima, Peru, May 4, 1881. (Received May 26.)

SIR: Referring to my dispatch No. 286, dated April 19, 1881, I wish to say confidentially and for your own eye alone (for the present), that, in my opinion, the Chilian Government intend to establish a kind of provincial government of their own over Peru, or so much of it as they can control, which, in my opinion (unless England and France or the United States should actively intervene to prevent it), will be all of Peru west of the first range of Andes, and possibly still more.

Should such a result take place, I am inclined to think it would be equivalent to establishing the ascending of English over American influence on this coast so long as such a provincial government should be maintained.

Some of my reasons for this conclusion will appear in my confidential dispatch No. 162, to which I refer; and so far as American commerce

on this coast may be concerned, the products of Chili are mostly similar to those of our grain-producing States, viz, the cereals.

The productions of Peru are very different, though some of them might compete to a considerable extent with those of our country.

For a general view of the staple productions of Peru, her exports and imports, the value of her trade, and the various questions connected with the increase of our trade here, I refer you to the dispatches of Mr. Gibbs, my predecessor in this legation, Nos. 244 and 284, merely remarking that when I came here, the present war had just been declared, and it has been impossible to obtain any reliable statistics of commerce, but that it is evident there has been a great decrease of production and of exports and imports. The Chilians having taken the nitrate districts in the south, the production of this article by Peru is, for the present, practically extinguished; and Chili having command of the sea, Peruvian production and exportation of guano have been reduced to a very small fraction of what they were before. But I am informed by persons who profess to have made personal examination, that there are nitrate deposits in the north of Peru, nearly, if not quite, as rich and extensive as those in the south.

As to unmanufactured cotton, of course no one would think of importing it into the United States, as they can afford to pay more for it in England. As to wool and sugar, our tariff is such that its importation into the United States is practically prohibited. Our wool-growers would not consent to a reduction of duty upon ordinary wools; yet there is one kind of wool—the alpaca—which would not compete at all with home production. But England now takes practically all of this which is produced in Peru and Bolivia; and it may be worthy of consideration whether the mere local interests of Louisiana ought to deprive the whole Union of the benefits which would result from admitting Peruvian sugars at a reduced duty. But, not to go further into particulars, it is evident from the nature of the products and exports of Peru, she must find commerce with England, under past and present circumstances, more advantageous than with the United States, as England takes more of her products in return and thereby helps her more in the way of exchange.

While railroads were being constructed here, there were considerable importations of locomotives, railroad cars, and railroad plant, and may be again if they ever get a settled government here. There has, also, been a small trade in furniture, the smaller kinds of hardware and cutlery, and farming implements, machinery, &c.; though, except upon some of the larger plantations, the demand for farming implements is small, as most of the small agriculturists prefer the antiquated method of plowing their lands with a crooked stick (iron-pointed), and with oxen hitched by the horns.

Owing mostly to the mountainous character of the country, wagons or wheel carriages are unknown, except in a few of the larger cities (and lumber wagons on the sugar and rice plantations), the transportation being carried on almost everywhere on the backs of mules and donkeys, much of it even in the cities.

Another thing which has given to England the control of the commerce of this entire coast, is the establishment of an excellent line of steamers, at first largely subsidized, but now receiving no direct subsidy, and yet doing a profitable business. If the establishment of an American competing line would tend very largely to increase our commerce here, and to open large markets for our trade, I should be ready to give up my habitual opposition to such subsidies until the line could

compete with opposition without them. But the other causes which I have mentioned (and many others which might be mentioned), which, aside from and independent of her line of steamers, tend to give England the control of the commerce of this entire coast, would still continue to operate, and an American line could not be supported without large subsidies.

The great mass of all classes of Peruvians feel a very strong attachment to the United States and a bitter hatred to England. Still, in matters of trade, pecuniary interest will, in the main, control.

Upon the whole, my conclusion is, that the only effectual way for the United States to control the commerce of Peru, and to preserve a commanding or even a material influence along this coast, is either actively to intervene in compelling a settlement of peace upon reasonable terms or to control Peru by a protectorate or by annexation, for either of which I am satisfied at least three-fourths, if not four-fifths, of her population would gladly vote to-day.

Unless the United States take one of these courses in the present emergency, the "Monroe doctrine," so called, will be considered a myth in all the South American states. Whether our government ought so far to depart from its traditions as to adopt any one of these courses is not for me to decide, nor to discuss the means necessary to carry any of these ideas into effect, nor do I express any opinion as to the propriety of any such projects, except to say that I should individually be strongly opposed to the idea of annexation, unless it could be had on terms that Peru should, for at least ten years, be subject to a territorial government, on the general plan of our territorial governments, and then to be admitted as States, at the discretion of Congress. In that ten years Peru would, under such a system, become wholly North American in its ideas.

These projects have lately been often and strongly pressed upon me by Peruvians, and I find that some of the Catholic clergy, even, are in favor of annexation. My only answer has uniformly been that, in my opinion, our people were not yet disposed to adopt any such policy: but that I would bring the whole matter, at the proper time, to the attention of my government, and be guided by their instructions.

I ought here to say, by way of introduction to what follows, that with my own personal observation of over two years, and the best sources of information I have been able to obtain, I am unable to discover any sufficient elements here for establishing an independent or even any kind of regular or permanent government of Peru; certainly no form of popular government by the Peruvians themselves. To state all the grounds for this conclusion would require a volume. I can only refer to a few of the fundamental reasons for this state of things, and for this conclusion. The original immigration into this country from Spain did not consist of men who, like the original colonists in the United States, only sought to better their conditions by honest, persevering industry, but of adventurers, seeking only to make money rapidly, by robbing the original inhabitants and by sudden accumulations of wealth from mines of silver and gold.

They found here a people well advanced in the arts of agriculture, producing all that was necessary for the support and comfort of the inhabitants (then amounting to some 8,000,000 or 9,000,000 in what is now Peru). They found every foot of ground in a high state of cultivation, wherever it was possible to bring water for irrigation. They not only seized upon all these lands and improvements, but made all the inhabitants slaves, and assigned the former owners, by repartia-

mentos, as slaves to the few Spanish immigrants, to each of whom large tracts of country were granted, often amounting to ten, fifteen, or twenty townships, in our country. Many of the original inhabitants were also assigned as slaves to the leading men who settled in the towns and cities. The Spaniard would not labor and did not, but all the labor was done by the enslaved race, and afterwards, in some measure, by African slaves.

Nearly all the Spanish adventurers either took Indian wives or, which was more common, kept a harem of Indian girls, as many as he chose; but as a general rule they did not treat their children as slaves, but recognized them as their children. In this way it has happened that almost all the people of Peru are of this mixed race, and the mixture with the negro; so that I do not think there are now in the city of Lima two hundred families of pure white blood, and probably not in all Peru 200,000 of the white race unmixed. Slavery was only finally abolished here in 1856 (see Article IV of constitution of that year), and all the old ideas and habits of the people remain. Labor is looked upon as a disgrace and degradation, and as only fit for a servile race. Any man of standing in Lima, to-day, who purchases an article at a store, however small the package, would at once lose caste if he dared to take it home in his hand. He must have a servant to carry it for him. The consequence of all this is, that all the sugar and rice estates, instead of employing free labor, have resorted to the Chinese, who are nominally imported into this country as hired servants, but, except in the cities under the eyes of responsible officers, these Chinese are treated with about the same severity as the slaves were in our Southern States, and in many respects worse, as they are generally locked in their quarters and kept under guard at night, and so many conditions are attached to their contracts of which they do not know the effect, upon which the employer assumes the right to decide, that in some, and I think in most, cases, after the Chinaman has served five or ten years, he finds he has more time yet to serve than he had when he commenced, and few, if any, ever come out freemen.

There are many foreigners here, especially Italians, and some of other nationalities, who are not ashamed to live by their labor in some of the various trades. But aside from these and the Chinese, the whole manual labor of Peru is performed mostly by the Indians and races mixed with them, who had been slaves, and by negroes and their mixed descendants, who had also been of the servile race, who constitute at least three-fourths of all the inhabitants of Peru. These, though now nominally free, are almost all treated in the interior (away from the cities) as practically slaves; their rights being almost wholly disregarded by the authorities, who, in many, if not in most, cases assume to fix the prices of labor of various kinds, which is also, to some extent, done even in the cities. The wages of these people, since I have been here, have not exceeded from 10 to 20 cents per day in our money.

It is also from these poor classes of people that all the Peruvian soldiery were drawn (except the "Lima Reserves," who were temporarily raised for the defense of Lima), and these forces were called *volunteers;* but the way they were made to volunteer was for officers to go through the country with an armed escort, and *compel* the poor fellows to fall in. If they refused, they were taken by force, tied together, and put on the cars, or compelled to march to Lima. I have myself seen scores of such volunteers, thus tied, marching through the streets of Lima. Not a single white man did I ever see in the ranks (though the officers were whites), except the "reserves" above mentioned. All these men

of Indian descent are docile, amiable, and brave, and will fight as long as their officers will stand; but the officers (all white) fled by scores and hundreds from San Juan and Miraflores, leaving their men to do the same. The battle of the 13th opened at daylight, some 10 miles from Lima, and at 9 o'clock a. m. I saw in the streets of Lima enough Peruvian officers with shoulder-straps to make an entire regiment. It is but right to say here that the Chilian army, though called volunteers, was, much of it, raised in the same way, and from similar mixed races, more largely Indians mixed with whites and less with Africans. (I have seen but few white men in their ranks.) The Indians of Chili and the mixture of Indians and whites are more vigorous, enterprising, desperate, and cruel than the corresponding races in Peru, partaking more of the Araucanian type; but the Chilian officers were far superior to those of Peru, and less under the blind guidance of the church (though the private soldiers are about equally so), and the government of Chili is composed of more enlightened men, wholly emancipated from the control of the church, and ready to adopt all modern improvements in warfare.

But to return, after this long digression, to the question of labor and the laboring classes, I must say that, with my democratic and republican ideas, knowing that the great masses of people in all countries always have been and always will be compelled to get their living by the sweat of their brows, and fully believing that the government which best secures the greatest good of the greatest number is to be esteemed the *best*, I am compelled to estimate the prosperity of every country by the adequacy or inadequacy of the compensation which it enables the great mases of its citizens to obtain for its labor. That country which secures to them the highest compensation is the most prosperous, and that which secures them the least is the worst and least prosperous.

From what I have already said, it might appear sufficiently evident that the laboring classes in Peru are sunk beyond the hope of redemption. * * *

Every man naturally looks only to what he deems his own immediate interest or elevation to power; and, when placed in power, he seeks only to enrich himself by the opportunities which his office gives him to appropriate the public funds to his own use. This has become so settled a conviction in the public mind that whenever any man obtains office it is at once assumed by the people that such is his object. This opinion is, doubtless, sometimes unjust, but on looking back through the various governments and forms of governments, I am satisfied this conviction is generally well founded. If, for instance (except in a time of war when no administration would dare to entertain any claim), any man had a claim against the government, well or ill founded, he could get it allowed by giving a fair share of it to the President and cabinet officers, and, however good the claim might be, it was seldom allowed without this reward.

The joint commission got up here by General Hovey, while he was here, in favor of American claims, was no exception to the general rule; and, I am informed, several claims were allowed against Peru, which never should have been allowed at all, or only for a much smaller sum; our minister allowing some special friend, such as S. C. Montjoy, our consul at Lambayeque, to make the arrangements between the claimants and the officers of the government, and these claimants paying sometimes 70 per cent. and upwards of their claims, which percentage, to all appearance, must have been shared among all the parties acting in the scheme.

This, however, is only a sample of the mode in which the public business has generally been transacted by the various Peruvian Governments here for many years past. A few honest men have, from time to time, been in office, who could not thus be bought, but were compelled to retire from office.

There seems to be no fixed principle of honesty, no idea even of that self-sacrificing patriotism which is essential to a proper and honest administration of government.

Such are the people of Peru. The picture has been but feebly drawn. I have only been able to touch the prominent points, the "vestigia." To fill it up would require a large volume, which I have not time to write nor you to read. * * * Chili has been able to secure a more permanent government, and better to enforce financial honesty in her administration, and to preserve her public credit. But the grievances of and impositions upon her laboring classes—the great mass of her people—are essentially the same as in Peru; and the grade of civilization among the masses even below that of Peru, the church having equal control over them, and committing the same kinds of abuses.

In short, I would not advise the United States or her people or any other enlightened people to take *any stock* in any of the South American republics, unless they can take the *controlling* stock. This they could easily have in Peru, if they choose to take it. The disposition of the masses of the people is favorable to the United States. A United States protectorate or annexation would be hailed with delight. In the hands or under the control of the United States, Peru would soon again become one of the richest countries of the world. I will not trouble you with her geography, which, if you do not already know, you can readily learn. There is enough of the country to make five or six large States, to say nothing of other parts of Peru, which are well known. The eastern slope of the Andes, along the upper branches of the Amazon, is one of the richest agricultural countries in the world; stocked with the most valuable timber and producing everything which a tropical climate can produce, but at present almost entirely in possession of the wild Indians; and I give only the opinion of geologists and that of all intelligent travelers when I say that there are still more valuable mines of silver and gold in Peru than in any other country of like extent in the world. And if it belonged to the United States it would not be two years before it would eclipse California, Nevada, Colorado, and all the mining regions along the Rocky Mountains in the production of the precious metals.

Fifty thousand enterprising citizens of the United States would control the whole population and make Peru wholly (North) American.

Peru under the control of our country, we should control all the other republics of South America, and the "Monroe doctrine" would become a verity. Large markets would be opened to our productions and manufactures and a wide field opened for the enterprise of our people.

Whether all these advantages are sufficient to outweigh the wise traditional policy of our government it is not for me to express an opinion. I only bring the matter to the attention of my government, leaving that government to decide.

If Peru lay contiguous to the United States, our citizens would soon relieve our government from all responsibility by taking possession of the country, and in due time asking its admission as a part of the United States.

But, as a single individual, I must declare my utter repugnance to the idea of its incorporation as a part of our Union, until American

ideas first get control of its population. I want no more such discordant elements, until we have digested and assimilated what we have already.

* * * * * * *

This letter must be treated as perfectly confidential, for your own eye and that of the President alone. I do not even copy it in the records of the legation, and ask that it may not be placed on file in the Department. My own life, even, would not be safe here for one day if it were made public.

I have, &c.,

I. P. CHRISTIANCY.

No. 4.

[A complete transcript of the letter on page 549 of Senate Ex. Doc. No. 79, Forty-seventh Congress, first session.]

[Inclosure 4 in No. 25.]

Mr. Shipherd to Mr. Hurlbut.

NEW YORK,
10 *Spruce street, June* 2, 1881.

DEAR SIR: I have recently written to my trusted friend and former counsel, Charles M. Sturges, esq., of Chicago, inclosing him our pamphlet and asking his advice concerning the distribution of the Chicago allotment of stock. He is of the well-known Sturges family of the Northwestern National Bank, and is the counsel of the bank. He can give you accurate and ample information concerning me personally and my business record, and I shall be glad to have you question him as freely as you may desire.

Our special relations were terminated several years ago, and he ought to speak impartially now.

Yours, truly,

JACOB R. SHIPHERD.

General HURLBUT.

No. 5.

[A complete transcript of the letter on pages 550–552 of Senate Ex. Doc. No. 79, Forty-seventh Congress, first session.]

[Inclosure 5 in No. 25.]

Mr. Shipherd to Mr. Hurlbut.

NEW YORK,
10 *Spruce street, June* 2, 1881.

DEAR SIR: Our interview, on the 30th ultimo, while satisfactory in general terms, did not include so full a discussion of certain specifications as might have been had, and I supplement it on my side with a few observations upon which I shall be glad to hear your comment.

First. At the foundation of the whole business lies, in our judgment, the exceptional equity of this claim.

It was the European culture of this French chemist that did infinitely more than merely point out heaps of guano not previously localized. For one hundred and fifty years the descendants of Spanish freebooters and cloddish natives had looked upon all these heaps and seen nothing. The value in them would have remained unknown for one hundred and fifty years more if some such scientist as Cochet had not come from the outer world to find it and point it out, and to compel, by persistent demonstration, the perception of its true character. If an angel from heaven had been sent with a revelation, the boon could not have been greater or more exceptional. It was to Peru at once a new creation and an outright gift.

Second. The absoluteness of the present right must not be vaguely considered.

The definition suggested in my draught of points for an agreement is not original, but is borrowed from the comment of Secretary Evarts when this claim was brought to his official notice.

When Cochet discovered guano he became, under the law, the immediate and absolute owner of one-third of all the guano in Peru, and no act or undertaking of the Peruvian people alone thereafter could divest him of that title. At his option and that of his representatives it may either be claimed that his right was to one-third of each separate deposit, or was such that more than two-thirds of the total having been already removed, his right is absolute to every ounce now remaining. Whichever way the claim is put, the right to seize and hold what now remains must be admitted to be sole, supreme, and indisputable.

Third. Against a right so lawful, so equitable, so absolute, no defense can be admissible. If Peru is poor it is not Cochet's fault. He has already given her $1,200,000,000, which she has chosen to squander. If her bondholders have relied on guano that was Cochet's and not Peru's, that is merely a case of mistake in title. If Chili has exhausted herself in the endeavor to humble Peruvian pride, such exhaustion discloses no reason why Cochet should pay her bills. The fact that Cochet, as discoverer, was entitled to one-third, and the declaration that he was discoverer were facts published to all the world by Peru herself, and of facts so important and thus published all the world was bound to take notice. No whine of hardship can be listened to now.

Fourth. What consideration may have passed between successive owners of this claim in the chain is, of course, immaterial also, provided they have been legal considerations. To the owners for whom the United States Government will speak, if it speaks at all, the cost will not be less than $100,000,000, and that is enough. If earlier sales were for smaller sums, it was only because Peru had denied justice until all hope of justice had expired. The judicial view is the only just view.

Fifth. The owners of this claim have no other forum than the international, and in that they see only their own government sitting to judge. The President and his constitutional advisers will hear the cause and decree the justice so long denied by the debtor, and will easily enough enforce whatever they decree.

Sixth. To simplify the situation by removing all issue, we propose the agreement with Peru. If she were strong she would, of course, resist, and make another Landreau record to blister the pages of history, but—

> When the devil was sick,
> The devil a monk would be.

And at the moment when the choice must lie between Chilian robbery and the comfortable payment of an admitted debt, even Peru may choose

to pay. It is certain that we can make her choose it with eagerness, and so choose it now that she cannot hereafter repudiate. *This is probably the first hour since Cochet's rights came into being when they could practically be enforced.*

Seventh. If Peru solemnly confesses judgment in the premises she confesses it under her own law of priority, *a law made expressly for foreign creditors of the state*, and published as such, and the international forum which may undertake to enforce this claim cannot choose but stand on that law. If, thus, the only defendant is estopped and concluded, can third parties be allowed to intervene to defeat the plaintiff's admitted and adjudged rights?

Eighth. As to Chili, certainly she cannot, even by absorbing Peru, acquire any *greater* rights than Peru. What title has she, then, to consideration? Secretary Evarts's comment upon this point was: "If Chili attempts to resist Cochet's demand for his own, she does but make herself immediately and directly liable for the whole debt, as for a tortious detention."

Ninth. Thus far, and primarily of the absolute rights.

If the foregoing suggestions are within the facts, it results:

1. That the United States Government has now the clear right as against Peru, Chili, and all the world to intervene peremptorily to adjust all questions now pending at Lima.

2. That it is its duty so to intervene, because it alone can decree and enforce justice in the premises.

Tenth. There remain then, as always, the no less important questions of expediency and detail, and concerning these it is not necessary to speak at the moment with entire confidence in detail, because advantage may be taken and concession must be made in the face of the facts which will change from day to day. Expediency is, after all, in sound diplomacy, only another name for exact justice—the justice due at the moment to all the interests involved—and it would be premature to decree finally before all the parties have been finally heard. Certain general rules and certain stable facts, however, may be safely considered in advance. Thus:

First. Nothing in the present situation need delay a general notification to all concerned that the United States must deem any arrangement to which it is not a controlling party provisional only, and subject to revision at the pleasure of the United States.

Second. The supremacy of the United States in the premises being first acknowledged, concession in detail may be promised—subject to the limitations of equity.

Third. The intervention of the United States, if based exclusively upon the property rights of its citizens, involves no chance of political complications present or future, and must command the unqualified respect of all governments.

Fourth. No opportunity for an intervention so safe, so important, and so influential, perhaps, has heretofore occurred in our history, and no administration so favorably situated for moving in like premises has heretofore existed.

You will, I think, agree with me also that no President, within the memory of men now living, has sat at the head of the government less likely to neglect his official duty on the one hand, or to give way to mere zeal on the other.

Fifth. No need exists to furnish American money to either Chili or Peru. English and French merchants and bankers are already preparing to make large advances against guano and nitrate to be consigned. Amer-

ican merchants and bankers would gladly enough do likewise if only permitted.

If it is expedient to buy Chili off with $10,000,000, $20,000,000, or any other sum, there will not be the slightest difficulty in arranging the advances from either New York, Paris, or London, upon a purely customary commercial basis. As recently as last January $5,000,000 were placed in a bank in this city by a few American capitalists to be advanced to Peru in the midst of the war against no better security than President Piérola's agreement to consign guano, and this money was only withdrawn when the owners of Cochet's claim exhibited it and gave notice that they would attach every cargo that should arrive.

Sixth. If English, French, and American merchants are content to advance upon Peruvian and Chilian promises, it needs no saying how much more readily and liberally they would advance upon contracts with the Peruvian company, backed by the United States Government. Money would be thrust upon us in excess of all possible uses.

The third topic is that which concerns the *personnel* of the Peruvian company, and as I intimated to you the utmost frankness is recognized to be the government's due.

First. The claim was first purchased of Cochet's sole heir by an American merchant long resident at Lima, who discovered it very much as Cochet discovered, guano and who is entitled to like credit and reward, however liberal.

He sold interests to friends in the United States, who now unite with him in conveying to my clients. These clients, at the proper time, will cause such conveyance to be made for their account directly to the Peruvian company.

Second. One of the most valuable charters ever created in this country has been secured, and its transfer to my clients will probably be made within twenty days.

Third. My clients are not so well known that their names could be of special service, and for this reason they prefer to remain temporarily anonymous. Their identity will appear in due course.

Fourth. I have been intrusted with ample discretion in the matter of organization, and my only instructions are:

1. To make the executive worthy of the interest involved.

2. To make it absolutely satisfactory to the Executive of the United States.

These instructions will control me.

Fifth. You will perceive at once how easy my task is. I have no stock to float. I have no popular interest to awaken. I have, practically, no money to raise, and, especially, I have no bonds to market. I have only to seek the counsel of the wisest statesmen and financiers of the country and to avail myself of the definitive suggestions of the President, and under such advice to bring together, perhaps, one hundred stockholders, who shall choose from their own number a body of trustees and executive officers competent to administer the guano deposits and the nitrate beds upon an ordinary commercial basis, and out of the proceeds of sales to provide for all the creditors of Peru, and the Peruvian Government itself, if necessary.

Sixth. Whether I am not myself overtasked by this trust the event alone can determine. What the probabilities are those who know my record can, perhaps, advise. If I am directly questioned, I may answer briefly that for twenty years I have been a successful organizer under conditions never so favorable as these. In the midst of the war I organized and administered the Freedmen's Aid Work in the Northwest and

Southwest, covering fifteen States, and then consolidated the dozen organizations of the country into one, and administered the whole. When banking at Chicago and New York, I introduced western town and county bonds to an eastern market and made them popular by millions where they had been unknown or only distrusted. In 1871 I established at Frankfort-on-the-Main—then the investment center of Europe—the first American banking house opened there, and upon a then declining market sold $20,000,000 of new American railway securities in a few months.

Seventh. Among the representative gentlemen with whom I am already or shall soon be in confidential negotiation in the premises, I may name such as these: E. D. Morgan, Wm. E. Dodge, Hugh McCulloch, Norvin Green, W. K. Garrison, A. Belmont, S. B. Chittenden, John Hay, Amasa Stone, William H. Vanderbilt, John Sherman, Eugene Hale, Murat Halstead, Whitelaw Reid, Fisk & Hatch, Samuel Sloan, Marshall Jewell, H. L. Dawes, S. D. Babcock, John A. Stewart, Jay Cooke, Evarts, Southmayd & Choate, U. S. Grant, A. A. Lowe, J. H. Wade, H. B. Payne, Horace White, David Dows & Co., Joseph Medill, H. B. Hyde, A. S. Hewitt, W. L. Scott, J. D. Cameron, Howard Crosby, Hobson, Hurtado & Co., Sidney Dillon, Morton, Bliss & Co., H. B. Claflin, A. S. Barnes, Henry Hilton, J. and W. Seligman & Co., M. K. Jesup & Co., Drexel, Morgan & Co., William W. Astor, Horace T. Caswell, and out of a list not less select and representative the organization will be exclusively made.

As I intimated to you, with a view to nationalizing the corporation, stock will be allotted to select lists of the leading capitalists in Boston, Hartford, Philadelphia, Baltimore, Cleveland, Cincinnati, Chicago, and Saint Louis; such lists to be made under expert local advice, and each city to be represented in the direction; the board of trustees to consist of, say, 21 members.

The very best executive and administrative talent will be employed, both in New York and in Peru, and such relations with the governments of all the countries interested will be cultivated as shall tend above all else to unqualified confidence and respect.

Eighth. The controlling sentiment of the present proprietors is wholly in accord with all the suggestions you made. While taking advantage of the present opportunity to enforce the definitive recognition of an equitable indebtedness, every movement of the creditor after such recognition should be helpful and friendly, and only so; and so far from taking any advantage of the inferior legal status of other creditors, we are ready to deal more than liberally with every one. There is enough for all if there is a proper administration, and it is precisely a *proper administration* we undertake to provide.

There is no occasion, therefore, for any competition with English or French syndicates of merchants or bondholders. We must consign guano and nitrate to England, and we may as well consign to Anthony, Gibbs & Co. as to any other house. We must consign also to the Continent, and if Dreyfuss & Co. will make fair terms, we may as well consign to them as to others. These concessions not only make these important interests our allies, but render immediately available as our own money all the advances these strong houses already propose to make, and whatever other advances can be used to advantage our New York consignees will provide instantly.

There is absolutely nothing to be done which will not do itself the moment the Washington Government gives notice of its right to supremacy.

As this note concerns itself with explanations which I should be glad to have reach the President at an early day, I rely upon your permission to forward him a copy at once.

I shall be particularly obliged if you will use the utmost frankness in such comments and suggestions as may occur to you; above all else we desire to avoid mistakes, and not less to *do* well than to mean well.

I am, sir, your obedient servant,

JACOB R. SHIPHERD.

The Hon. S. A. HURLBUT,
United States Minister to Peru, Belvidere, Ill.

No. 6.

[A complete transcript of the letter on pages 552–554 of Senate Ex. Doc. No. 79, Forty-seventh Congress, first session.]

[Inclosure in No. 25.]

Mr. Shipherd to Mr. Hurlbut.

Personal.] AUGUST 19, 1881.

MY DEAR SIR: When the gentleman to whom the inclosed letter is addressed calls for it, please deliver to him with the letter all the printed inclosures except the one upon which I have written your own name. He is represented to me to be a person of exceptional influence, intimately in the confidence of President Calderon. The letter concerns the documents, and the whole are expected to reach at once the Peruvian executive.

The progress in our case since your departure I will briefly outline.

By arrangement with the attorneys of the Landreau claim, we treat the two interests for present diplomatic purposes as one to a certain extent. The owners of the Cochet interest will at the proper time absorb the junior lien so as to protect the equities of the interests involved,

Among the present active attorneys of the Cochet interest are ex-Secretary Boutwell (who is also the senior counsel of the United States in the American and French spoliation claims commission now sitting, and who has prepared a conclusive brief in support of all our demands); ex-Senator Cragin, of New Hampshire; Senator Blair, of New Hampshire; and Hon. William E. Chandler, who will probably be Blair's colleague next year; Senator Logan, ex-Senator Conkling, and others will be added in due course; and from these names you will safely draw your own inferences.

Not only have none of my expectations been disappointed, but so far they have, as a whole, been far exceeded, and the horizon still widens.

You are concerned principally to know how we stand at the Department of State, and I will enter first upon that topic.

After a preliminary conference between Senator Blair and the Secretary of State, I was telegraphed for, and I went on to Washington. The Senator called for me, and we went, upon invitation, directly to the Secretary's residence, where a most cordial greeting awaited us. The evening was occupied until near midnight and the next forenoon as well. All the phases of the two claims were carefully discussed, and from first to last upon the unqualified postulate that the United States must protect fully all equitable rights of American citizens, wherever vested.

At the close I was asked to state my immediate wishes, and replied, substantially, as follows:

"It seems to me that Landreau's claim must be deemed adjudicated by Congress and enforced accordingly.

"The final proofs in the Cochet case are not yet quite in technical form, and until they are no technical examination of the case can be made by the department. Moreover, as to Cochet's interests, we have as yet no grievance to report, and may never have any."

[Before you will clearly understand the points next made you will need to read the inclosed pamphlet, upon which I have written your name, a translated reprint from the original Spanish copy in our possession.]

I continued:

"There is no evidence that any issue was ever raised by Cochet not shown in his pamphlet, and by that it appears that he raised two only—the one involving his right to be declared the true discoverer of guano, and the other concerning a special discovery in the treatment of nitrate bases. Of these the first was overwhelmingly adjudged in his favor, and upon that adjudication our case now rests; with the other, which remains undecided, we have no concern.

"If Cochet was the discoverer of guano, his discovery, as Secretary Evarts observed, vested in him the title to one-third of all the guano in Peru, and he may, at his option, claim one-third of each heap, or any other equitable one-third of the total. This is not a claim, but a title as distinguished from a claim; and what descended to his heir, of whom we buy, was *property ipso facto*. For this property no demand has been denied, and presumably none will be. If, when the demand is made by legal and equitable American owners, a refusal follows, then, and not till then, will a conversion accrue, and then, and not till then, will an original wrong be committed; and this original wrong will be committed directly upon American citizens, whom it will then be the clear duty of their government to install in their property.

"But this is not quite all. It is notorious that Chili, Peru, and certain creditors of Peru, are at the very point of apportioning among themselves not only the guano, which is absolutely our property, but the only other available asset of Peru, the nitrate, also. If such appropriation were allowed, irreparable mischief might result.

"I therefore ask a preliminary injunction forbidding all progress in the direction of any such apportionment until the Landreau claim and the Cochet title are first properly recognized and provided for—the former paid as *res adjudicata*, and the latter allowed or fairly disproved."

The Secretary instantly responded, "that you will get, and I will make it my first business."

On the 2d instant, very soon after, by direction of the Secretary, I was advised that the identical instructions suggested had that day been sent you both by cable and by post, and that I might rely upon the *status quo* accordingly.

The inclosed letter to Dr. Arizola is from an eminent friend of Peru, intimately known in executive circles alike at Lima and at Santiago, and, I believe, also at La Paz. He looks upon our overture as the great, the magnificent opportunity of Peru to retrieve all her sad past; and that you may well understand his view of the case, I have gained permission to add to these inclosures a (English) copy of the more important parts of his dispatch—these of course for your eye only.

I ought, perhaps, to use informal frankness concerning Elmore, Mr. Calderon's confidential agent here. His principal attention has been

openly devoted to forwarding the views of a French syndicate, of which Dreyfuss is the head, and a malodorous Cuban by the name of Suarez (he went out in the steamer with you, I am told) is the ostensible agent. The association (and I do not get this at second hand) has materially lessened Elmore's influence in Washington, and as Dreyfuss is synonymous with Piérola, you will need no further hint.

You perceive that our programme as approved, unqualifiedly, by the department is:

1. Unqualified demand for payment of the Landreau claim.

2. Proper attention to the demand about to be made for Cochet's property.

3. Peremptory stay of all negotiations touching the cession of guano, or nitrate, or territory, pending final adjustment of these American interests.

I rely upon your good opinion of us to spare us the need of saying what once for all I beg you to understand, that we address ourselves to you as minister only, and neither ask nor wish you to take any attitude toward these claims other than such as your official instructions shall authorize and require. We do confide in your patriotism and love of fair dealing to push with exceptional vigor, if necessary, and to their full logical limit the decisive instructions received, and to leave no government and no citizen in doubt that the United States is in dead earnest in the premises, and such vigor, you may be sure, will be as distinctly and as gratefully appreciated by our company as by the Washington government.

All that need be said under this head is summed up in the assurance that we address ourselves to you in exactly the same manner in which we are welcomed by the Secretary himself; we supply to you the identical information supplied to him, and shall be more than content if you as heartily stand for us at the front as he stands for us at headquarters.

If you will be so good as to advise me of the safe receipt of this, and the delivery of the inclosures to Dr. Arizola—please see that they are placed only in his own hand—and will favor me with such suggestions as may occur to you, the courtesy will be duly appreciated.

I remain, dear sir, very truly yours,

JACOB R. SHIPHERD.

No. 7.

[A complete transcript of the letter on pages 554–557 of Senate Ex. Doc. No. 79, Forty-seventh Congress, first session.]

[Inclosure in No. 25.]

(Indorsement:) Simon Camacho to Manuel Arizola sent me by Mr. Shipherd.

(Private copy.)

NEW YORK, *August* 20, 1881.

MY DEAR FRIEND: On presenting the inclosed note to his excellency the American minister, you will receive a set of four printed documents, two of them bound pamphlets. These, as you will see, are all private and confidential copies of papers, inaccessible to the public. I have

been fortunate enough to obtain them, and to procure them to be sent for entire safety under seal to the American legation.

These papers hold the key to the one happy solution of all the troubles of Peru which yet remains possible, and I count myself the happiest of men that it is my privilege to place them within the reach of the Peruvian executive.

If the scheme now offered had been made in heaven and let down by angles, as was the sheet sent down to Saint Peter, it could not have more perfectly provided for all the present woes of unhappy Peru.

After carefully examining it and adding to what you find printed, the facts which I shall state in this letter, all of which came to me directly and officially from original sources and may be implicitly relied on, you will see what an opportunity pitiful heaven has at last sent.

These are the leading historical facts:

1. Cochet was the true and first and sole discoverer of the merchantable value of guano. But for him those vast heaps, more precious than all the gold and silver in the Cordilleras, might have lain dead and neglected to this day.

The sole intent of the decree of 1833 was to encourage persons to discover to the state sources of wealth within itself, unknown before; all other discoveries combined made since that day have not brought to the republic one-fourth the fresh wealth which has come through Cochet; if he be not entitled to the one-third then should no merit ever find reward. The whole civilized world with one voice will declare this.

2. Happily, indeed, his right has not only never been denied by Peru, but has always been admitted, and was solemnly adjudicated by the government in the report of the commissioners of premiums, as printed on page 13 of the pamphlet I send you, entitled "Truth Demonstrated and Calumny Defeated." See, also, the references upon page 43 of the Pfospectus of the Peruvian Company.

It is only necessary, therefore, in order to make perfect use of the present opportunity, that the executive should be true to itself and to its own existing record, and recognize facts which it is impossible for any one to deny. The way is easy, plain, and most honorable.

3. The only dispute Cochet ever had with the government, as shown by his own pamphlet, was over his *nitrate* discovery, which seems not to have been appreciated, and which is no longer a living question. If an agreement as to the nitrate process could have been reached, he would immediately have received not only the *prize* awarded him as the discoverer of guano, but necessarily also, his one-third in full and in due course. Unhappily for himself, most happily now for Peru, he would yield nothing, and returned to France and died a pauper.

4. This stubbornness of the great discoverer, and the fact that his only heir, a natural son, Gelacio, born in Lima, was a mere child, and ignorant of his rights till an American brought them to his knowledge less than three years ago, explain in a moment how Providence held all the conditions silent for a generation to open them at this critical moment for Peru's salvation.

5. You will again note the special interposition of Providence. Although this great right has lain still so long, nothing of its vitality has been lost. Cochet was solemnly adjudged to be "the true discoverer," and thereupon, if not even earlier, he became, in the language of his excellency Mr. Evarts, Secretary of State at Washington last year, and the first lawyer in the United States—"Cochet became immediately the owner in fee absolute of one-third of all the guano in Peru, *known* and *unknown*, for being the discoverer of its *value* his right was inseparable

from the thing wherever found, and that ownership could never be extinguished or limited, save by his own act."

6. This *ownership*, which, as you see, is no mere *claim*, but an adjudicated and undisputed title, had no value to the helpless heir—ignorant and penniless and unknown. American capitalists purchased it, however, and are now the owners of every pound of guano left in Peru, and of the money value of so much as has been sold in excess of the two-thirds belonging to the republic.

Their purchase is as valid as if they had bought land and buildings, and their government has, of course, the right and the duty to see them protected, and you may be sure it will thoroughly perform that duty and unhesitatingly exercise that right.

7. No demand has yet been made upon the Peruvian Government for the possession of this guano, but such a demand will be made in a few weeks by a commissioner to be sent out.

If the executive shall accede to the demand and freely consent that the owners of this great property may take it at once without the hinderance of Peru, then these owners must demand it of the Chilians, and if the Chilians detain it for an hour they will make themselves liable instantly for a tortious conversion, and you may be sure the Washington Government will make short work with them. Upon this point the owners of this great interest have long ago received the most sweeping assurances directly from the American Executive.

8. Now we may close the circuit. To consent that this American corporation shall take as a right the identical guano and nitrate which otherwise Chili will take anyhow, is all that is necessary to relieve Peru instantly and permanently by taking shelter under the broad wing of the United States and compelling Chili to settle all the rest with the United States.

9. If Peru—I do not admit the possibility—should refuse to deliver the guano demanded, and to pay at once the value of so much as is missing, then this refusal would be an original denial of justice directly to American citizens, and their government would then enforce their right against Peru herself, and sad indeed would be her condition then.

10. As to the Landreau claim, it, as you see, has been fully adjudicated by the American Congress, and the American minister at Lima has been peremptorily instructed to give notice that it can no longer be discussed, but must be paid.

11. The scheme of the conservative owners of Cochet's rights is, as you will see by the proposed treaty, the substitution of an insolvent assignment to creditors for the cruel humiliations of war.

The Cochet title has unquestionably priority, and, besides, he is the largest creditor. There is, therefore, every reason why his representatives should demand the control of the assets; and they show a handsome liberality in their offer to provide for all other creditors, including Chili, whom the United States is willing to recognize as a creditor for a reasonable war indemnity. This Peruvian Company, then, itself the chief and the first creditor, will take the guano and the nitrate in trust only for the benefit of all creditors. [I may say to you privately that the company will protect you from any trouble with the Landreau interest, and that you may treat the two interests as one.] The company, then, being a creditor for, say, $1,000,000,000, is willing to restrict its preference to 6 per cent. upon *one-half* the sum (say, $30,000,000 annually), and out of the remainder of the income to create a sinking fund to retire all other indebtedness. It is ready to issue its scrip at par for

all Peruvian paper, and thus to restore the government to practical solvency at once.

12. More than this, the manager of the syndicate, who will be the permanent president of the company, and who, with his immediate friends, will permanently control the entire policy of the company, is known to me and to Consul Tracy, and we have undoubted assurance that from the first the company will be prepared to render every assistance to the Peruvian executive which may be necessary to put it upon a proper footing in the first months of a new beginning. The owners of the company are among the most solid, safe, and conservative of men, and have framed a policy to last at least fifty years, and to secure the largest prosperity in the future, resting upon the most secure foundations of order, industry, commerce, and peace. They have commercial plans extending far beyond the limits of Peru. Their ambition is to make Peru the model South American Republic, and to repeat there all the best commercial methods known in this country. They are gentlemen of the purest character and of the most honorable ideals, and will admit to their circle none of any less honorable type.

13. I may say further concerning these gentlemen, whose identity is known to me in detail, that they include the nearest personal and political friends of the Executive, and not only of the present Executive, but of the Vice-President as well, who will succeed to the Presidency in case of President Garfield's death. They also include representatives of the most powerful money corporations in the country, and you may rest absolutely assured that in dealing with them the Peruvian executive is for all practical purposes dealing directly with the power and the honesty of the United States itself. Once established in their great property in Peru they would be protected if necessary by the entire power of their government, no matter who the acting Executive might happen to be. For the commercial enterprise of this nation has now become as powerful as that of England once was, but most happily without any of that selfish greed which has made England the foe of her own colonies, and hereafter American property interests in foreign lands will be thoroughly taken care of.

14. The people of the United States, as we have seen in the matter of the proposed Panama Canal, are determined that no European government shall take foothold in this hemisphere, but they have no ambition for themselves except an honorable commercial ambition. They want no more territory, nor do they wish to meddle at all in the political affairs of sister republics. They are willing, as in the present instance, to forbid the victor an extreme cruelty upon the vanquished, and for the rest their only desire is to see every republic cultivate the arts of peace, and become happy and prosperous within its own borders.

15. I am able to tell you, on the highest authority, that the Department of State has long ago notified Chili in the plainest words that she will not be permitted to take any territory from either Peru or Bolivia, except it be found that there is no other possible way of securing her proper war indemnity. I am able, on the same authority, to tell you that she (Chili) has been notified that American citizens have filed at Washington their claim as owners of all the guano now in Peru, and that for every pound she takes she must hereafter account to the United States, and that she has also been notified that no cession of territory or property by Peru will be permitted until the Cochet and Landreau claims have first been provided for.

You perceive, therefore, that already Peru has a great friend at her

back, and that henceforth it is only necessary for her to lean upon that friend to be wholly saved.

16. More than this, there is help for Bolivia, too.

The owners of the Cochet rights are clear-eyed men who see far into the future. Their first interest—I mean now their *own* first interest—is to see Peru restored to all prosperity. While they will not meddle in any quarrel not their own, they cannot allow any terms to be inserted into the treaty of peace which will so cripple Peru or Bolivia as to affect their own commercial plans, and they will not allow any such terms to be inserted. Upon this you may safely rely.

They will open the guano market and the nitrate market all over the world as it has never been opened yet. They will do a business of $100,000,000 a year when once their plans are perfected, and will open the now dead silver and quicksilver mines also, if properly encouraged, and will pay off all these debts that now look so hopeless easily enough, and leave Peru richer by far than she has ever yet been. All this is easy enough to American enterprise.

They are shrewd enough to see that they should have the Bolivian nitrate too, and if Bolivia will treat them fairly she too can be fully taken care of—by leasing under a proper commercial treaty all her nitrate territory to the Peruvian Company, which will then work the whole as one interest, and pay Bolivia a regular dividend out of the annual profits.

17. If you have noticed how such capitalists as these are now transforming Mexico, covering it with railroads and canals, and reopening its dead gold and silver and copper mines, you will see the example which may now be repeated in Peru.

At the head of the Mexican enterprise is General Grant, and with him are his friends. The managers of the Peruvian Company are not one whit less able in capital. Out of the midnight may spring at once the clear dawn.

18. * * * I beg you, therefore, to acquaint his excellency the President at once with all the foregoing facts, that he may be able to act with promptitude and intelligence.

19. From the first Mr. Shipherd has sought to reach Elmore, but always in vain. He has, therefore, freely consulted Mr. Tracy but Mr. Tracy could only answer for himself, and could not of course bring anything to the notice of the Executive. I have, in the exigency, volunteered to place the facts within the President's reach, and having done so my duty is finished. In answer to questions directly asked me, I have not hesitated to express the belief that most eagerly would Peru embrace this great opportunity. I shall be compensated for this long letter if I can have immediate official assurance that I have not given bad advice.

* * * * * * *

The idea of a treaty with Bolivia is a recent one; a draft of outline is now being made, and when printed a copy will be sent you.

This is a long letter, but not so long as its theme, and if it opens a door of escape for unhappy Peru I shall be glad indeed that it was my privilege to write it.

* * * * * * *

NOTE BY DEPARTMENT OF STATE.—The asterisks in the above paper appear in the copy on file in the Department.

No. 8.

[A complete transcript of the letter on page 559 of Senate Ex. Doc. No. 79, Forty-seventh Congress, first session.]

Mr. Shipherd to Mr. Hurlbut.

SEPTEMBER 19, 1881.

MY DEAR SIR: On the 17th, Mr. Elmore, the Peruvian minister, resident at Washington, called upon me, introduced by a diplomatic colleague, who is my friend, and we had a long and very satisfactory conference.

He informed me that he had some weeks since forwarded to President Calderon the papers I sent him, the same sent Dr. Arizola, and asked for duplicates. He explained to me the plans of the Société Industriale (in which he is deeply interested), and responded cordially to my suggestion that if our plans should succeed we would make a liberal cooperative arrangement with the société as a party legitimately entitled to fair recognition. He discussed our scheme with courteous deference, as if it were in principle settled, and only methods of giving it effect remained to be considered. He asked somewhat eagerly whether Peru might rely upon American protection in carrying out the agreement with us after she had made it, and seemed to have no anxiety on any other point; indeed, he said, "If *that* is assured all the rest will follow as smoothly as the flowing of a stream."

He surprised me with the statement that Dreyfuss not only is not in the société syndicate, but is hostile to it. I had heard the other statement always. Do you know what the truth is?

He welcomed my promise of a formal demand, to be served upon him, say, within fifteen days, which will initiate direct and decisive negotiations, and volunteered the offer to furnish me copies of the société's contract with the government in 1880. Nothing could have been more satisfactory than his entire manner and discourse. What its real significance and importance may turn out to be, of course we must wait for the future to disclose.

We note Piérola's resignation, but presume it to be merely a preliminary to his formal re-election, or election rather, to the presidency by his congress.

I wish you would inform me whether President Calderon has authority to conclude a treaty with us in the vacation of Congress?

Since my writing by the last steamer, I have been necessarily absent from the city, and our internal negotiations have been consequently suspended. I may have more news for you by the next steamer.

I should greatly prize your advice, and daily regret the distance that parts us. Do not fail to write with the utmost frankness and fullness, and by every mail, if practicable. If I can be of any service to you personally in any way, do not hesitate to command me.

As I write, the President is sinking again, and the gravest apprehensions prevail.

Faithfully, yours,

JACOB R. SHIPHERD.

No. 9.

[A complete transcript of the letter on page 560 of Senate Ex. Doc. No. 79, Forty-seventh Congress, first session.]

Mr. Shipherd to Mr. Hurlbut.

SEPTEMBER 28, 1881.

MY DEAR SIR: Since my last the great change has come, and General Garfield's administration, so full of promise, is no more.

The Senate is to meet October 10, and the air is full of suggestions of an entirely new Cabinet. It is understood that General Grant advises that Mr. Fish be recalled to the control of the Deparement of State, and that this advice is likely to prevail. Of course the instructions you have already received will continue in force until specifically modified, and it shall be our care to prevent such modification. The nearest friends of the new President are, or will be, among our stockholders, and our original plan to offer General Grant himself a prominent seat in the direction will probably be carried out. Then, if Peru is wise enough to cooperate with us, I think no administration will refuse us the aid necessary to compel the acquiescence of Chili.

Until towards the middle of October I cannot receive your acknowledgment of my first message (August 20), but thereafter I shall hope to hear fully from you by every steamer. It seems to me I cannot be widely mistaken in assuming that such facts as I have been sending will be helpful and welcome to you; it is at least equally certain that suitable advices from your office will be greatly useful here.

I may as well be frank enough to say further that the intelligence and vigor with which you have begun your work fulfill our best hopes, and that if there is a change in the head of the Department of State we shall ask that no change be made at Lima.

Negotiations are pending with a leading Republican journal which, if concluded, will make it our especial organ. It has no Peruvian or Chilian correspondence. Either with this journal, or with some other equally good, and of the very first rank, we shall conclude arrangements, and these arrangements will entitle us to publish our own letters from Lima and Santiago. Can you retain for us competent men? The letters must be sent to *me*, and, after revision, I will publish them. The only satisfactory letter I have seen in the World is the one dated August 10; those in the Herald are of a very ordinary quality, and there seem to be no others.

As soon as we are fairly afloat, within range of the public eye, there will be a keen appetite and a general market for Peruvian and Chilian news, and not merely gossipy, but able and comprehensive accounts should come by every mail. I have been twenty years in practical journalism and know how such correspondence can be used. If you can secure competent men I wish you would do so; there shall be no scrimping of the pay.

I write to-day because I happen to have a leisure moment. If anything important develops before the mail closes I will write again.

Very faithfully, yours,

JACOB R. SHIPHERD.

No. 10.

[A complete transcript of the letter on page 679 of Senate Ex. Doc. No. 79, Forty-seventh Congress, first session.]

No. 415.

Mr. Shipherd to Mr. Blaine.

THE PERUVIAN COMPANY, 10 SPRUCE STREET,
New York, October 10, 1881. (Received October 11.)

SIR: I have the honor to inclose herewith—

1. A printed and sealed official copy of a note addressed to the Hon. J. F. Elmore, minister resident of Peru at Washington, bearing date October 1, 1881, and subscribed by the undersigned.

2. A like copy of a note addressed to the Hon. Marcial Martinez, envoy extraordinary and minister plenipotentiary of Chili at Washington, bearing date October 5, 1881, and subscribed by the undersigned. The originals hereof are to-day delivered to the Hon. George S. Boutwell, counsel of this company at Washington, for immediate transmittal to the respective addresses, and I have therefore the honor to ask that these copies may be placed on file in the Department, and that I may be duly advised that they have been so placed.

I have, &c.,

JACOB R. SHIPHERD,
President of the Peruvian Company.

No. 11.

[A complete transcript of the letter on page 180 of Senate Ex. Doc No. 79, Forty-seventh Congress, first session.]

[Inclosure marked A in No. 9.]

Mr. Shipherd to Mr. Kilpatrick.

THE PERUVIAN COMPANY,
10 *Spruce Street, New York, October* 19, 1881.

SIR: I have the honor to inclose herewith official printed copies of communications on behalf of this company to the minister of Peru and Chili at Washington.

Duplicates of these inclosures were filed in the Department of State on the 11th instant, and the originals were personally delivered by ex-Secretary Boutwell, our counsel at Washington, on the 13th.

I place these copies in your hands, of course, without comment, and only for your early information. I have reason to suppose that you will receive instructions concerning the interests involved at an early day.

It may be proper to add that this company is now fully organized, with a capital of $250,000,000; that it includes the best legal, diplomatic, and money resources of the United States; that the title upon which it relies is approved unanimously by a large staff of eminent counsel, and that it has unqualified assurance of ample governmental backing. It has called for the property, and you may safely rely that it has at command every means of enforcing that call. I send you a

recent copy of the Times, which does but reflect the average public sentiment here. All the papers (preliminary) in the case I sent to your address in this city before you sailed.

We are prepared to treat Chili fairly, even liberally, but only on condition that she recognizes our superior rights. If she raises an issue she will simply get nothing. Right must rule.

Your obedient servant,

JACOB R. SHIPHERD.

Hon. JUDSON KILPATRICK,
United States Minister, Santiago.

No. 12.

[A complete transcript of the letter on pages 568–572 of Senate Ex. Doc. No. 79, Forty-seventh Congress, first session.]

[Inclosure in No. 28.]

Mr. Shipherd to Mr. Hurlbut.

NEW YORK, *October* 27, 1881.

SIR: I have yours of the first instant. You seem still to look upon our company and its possibilities only as something that may be "of great use" to Peru. I shall be content—extraordinary as the attitude is—to discuss it on that basis, and to applaud your generous sympathy with an unhappy country; and I will, if you wish, pardon to an excess of generosity in that direction the remarkable indifference, or seeming indifference, to the interests of your own countrymen. If you had heard a tithe of the comment made upon this seeming indifference by gentlemen whose only interest is to applaud and to be proud of you, you would at least credit my own observations with great moderation.

Our company, now fully organized and already a formidable power, being purely commercial, necessarily includes, however, not only those who, like myself, are your steadfast political friends, but men of all political parties and factions, all of whom would none the less gladly be your friends as minister, and would heartily uphold your hands, if you would give them the slightest opportunity to do so; but who cannot be expected, when they see you totally indifferent to their interests—or apparently so—to forbear criticism not only severe, but possibly unjust. Such is human nature.

If you had come to my office, as I understood you to earnestly assure me you would, before you sailed, I could have satisfied you as long ago as that upon all the points you now raise. If opportunities have been lost in the intervening period, you will, I trust, not hold me alone to blame; and if you had been at the pains to deliver with the letter to Mr. Arizola the accompanying documents, without which the letter was unintelligible, you would at least have not taken a responsibility which no one here has as yet been able to explain.

I sincerely beg your pardon if this frankness seems severe; it certainly is not meant to be rude, and is only used to give you some idea of the unhappy impression which the attitude of your legation has—erroneously or otherwise—made upon every person without exception, I believe, who looks from this view point. And nothing will give me sincerer pleasure than to be enabled to vindicate not only the perfect integrity

of your motives, but what is almost equally important, the wisdom of your methods.

In a readiness to help Peru, no one at Lima or elsewhere can profess a sincerer desire than this company feels. So far as Peru is concerned we might safely ask her to do nothing except for herself alone. But we have rights as well as she, and have no idea of relegating them to any secondary rank. Of a government capable of the official record made in the Landreau case, it would hardly be wise to expect any refined analysis in practical ethics; no practicing attorney would hanker exactly for the priviledge of submitting any cause to just that kind of a tribunal.

It is, therefore, with only a languid interest that we have at any time looked toward either the legal or the equitable strength of our case; we have assumed from the first that our chief reliance should be upon our ability to rescue Peru in *articulo mortis* from the jaws of the devouring conqueror.

But while this might suffice for the face to be turned toward Peru, it could not for a moment satisfy the gentlemen who constitute the Peruvian company, nor their counsel, nor the American Government. There must be at the bottom of all our plans, first the facts and next the proof of them, which would create open, clear, and incontestible equities, at least coextensive with our claim.

That such facts and such proofs do exist, the documents heretofore placed in your hands have been supposed to be *prima facie* evidence. Of more than a score of eminent attorneys, statesmen, and business men who have thoroughly and critically examined them, not one has at the end expressed a doubt, or failed to express a judgment that our case (*prima facie*) was complete.

It is always possible that such a body of experts may all be mistaken; but the probabilities hardly lie that way, do they?

For example, I sent for Judge Lord this morning, and read him your letter without comment, and at the close asked him what he thought of the difficulties you suggest. His reply was, "I can see nothing whatever in them. The documents in General Hurlbut's hands are plain as the shining of the sun. If we are not badly advised by Peruvian authorities here, the natural son inherits; if we are badly advised on that point, it is immaterial, for we have the will."

Following my own order, I proceed then specifically to respond in turn to each of the points you suggest, and to these I may add a general observation or two.

First. I believe you are not aware that Alexander Cochet, whom we supposed to have died intestate, in fact left a valid will, in which Gelacio is duly recognized and identified, and to whom all the testator's rights and properties are duly bequeathed. This will came to light in August last, and has been duly probated in Paris, and we have a properly attested copy of it here. This fact removes the only question you raise as to the chain of title.

Second. What did Cochet discover? His pamphlet shows clearly enough. Not the heaps of guano, not the original *vague idea* that it had fertilizing properties. But that *marketable* quality which brought all the millions into the public treasury.

The language of the committee of award is broader than this. (See p. 13 of Truth Demonstrated.) "The 5,000 tons of guano that the national representation is disposed to grant to the Señores Allier and Quirog, believing them to be *the first discoverers of the fruitful properties of this manure.*"

On all the facts the committee award to Cochet the prize intended for the "first discoverers of the fruitful properties," and for those "first to introduce it into European markets."

The body of the report shows, if not in a precise, certainly in a very comprehensive and unquestionable way, the almost unlimited indebtedness of the republic to this extraordinary foreigner, and adjudges him to be—what his own collateral specifications show in detail that he was—the creator of the foreign guano market, the discoverer "of untold riches," which have ever since been flowing in upon his beneficiary.

The decree—(p. 44 of the prospectus)—is as broad as possible: "That any one, after the publication of these presents, who shall have discovered ——— or *other property* belonging to the state, shall have a right to a third part."

If the intent of this decree was the benefit of the state by the discovery of available *value*, then the rules being as broad as the reason of it, must easily enough cover the *value* discovered in guano by Cochet alone.

If the intent was narrower than this, then it was only calculated to defeat itself. The interests of the state are inseparable from those of the discoverer.

Third. What was the award? That the prize appointed for "the first discoverers of the fruitful properties of this manure, and the first to introduce it into European markets," belonged to Alexandre Cochet.

Fourth. Who awarded it?

So far as appears at all, the final tribunal duly created and authorized by "the national representation."

Fifth. Does that award "bind" Peru? Apparently; why not? Who is Peru? Is not the act of an authorized agent the act of the principal?

But all this argumentation proceeds upon the assumption that Peru proposes to dispute this claim.

Is not such a presumption at least premature?

Until the demand served on the Peruvian minister at Washington on the 13th, perhaps no formal demand for this property has heretofore been made. In such case the present Peruvian executive is as free as the executive of 1841. He is embarrassed by none of the repudiations which cloud the contested Laudreau case, and may construe the report of the committee of award as freely as any other sovereign. The *equities* of Cochet's claim are simply enormous, and are so plain that no sane man can for a moment debate them as doubtful.

There is no sounder rule of legal construction than that where either law or equity may prevail, *equity must* prevail, and if President Calderon is not clear that upon merely and narrowly legal analysis the award defines Cochet to be the true discoverer of guano—upon the notorious facts collateral to and contemporaneous with the award, he cannot for a moment doubt that the finding of the committee amounts to exactly that, and to nothing less.

The Landreau record needs no comment and will bear none. The opportunity now given to do cheerfully a great justice, and at the same moment to reap an enormous reward, should need no enforcement.

If it is asked, May Peru act freely in existing premises? The complete answer is, Why not?

The decision which must be made upon the demand now pending is a purely executive decision, addressed to the executive of a sovereignty. If Mr. Calderon's government is sufficiently constitutional to negotiate for peace upon terms involving the dismemberment of territory—and the Chilians have always been ready to treat with him on this basis, and by

such readiness are estopped—it must certainly have the inferior authority to *quitclaim the property of non-residents*, and to make a treaty with this company which will *preserve the republic;* in exigencies, mere committees of safety may for the public *good* assume unlimited power. Is not this safe ground, in your judgment?

You may certainly rely, my dear sir, that every view suggested herein has the hearty approval of counsel entitled to the highest respect, and that we count ourselves fortunate in submitting these views for revision and criticism to counselors as able as yourself and President Calderon. We are perfectly aware that our demands and Mr. Calderon's concurrence—if he shall concur—will be put into diplomatic crucibles the world over; we have refined our views in advance with the expectation, and cheerfully surrender them to such tests; and we ask only of Mr. Calderon that he take such ground as he can vindicate to all intelligent and reasonable critics.

Further than this, apply the test of a judge in court. Who has the right to object? Only some one who will suffer. Will Chili suffer? Is it not settled that her utmost right, even of force, is limited to a reasonable war indemnity? This is her utmost right as against *Peru;* and if Peru admits our title, Chili has *no* right against *us*.

Yet we are ready to pay or safely secure her proper indemnity, and upon this she is out of court.

Will Peru's creditors suffer? Is not our offer to them incomparably better than any other they have had or are likely to have?

Will the citizens of Peru suffer? Is not our coming their sole chance of salvation?

Will the United States Government back us up, and by so doing protect Peru?

Let that question be put directly to Mr. Blaine by Mr. Calderon. It certainly is not for me to speak for the government.

But as a citizen, and one of the people who create governments, I may venture an opinion shared by every stockholder in this company, and backed by the millions we are ready to venture on it, and in that opinion, I fancy, you will readily concur: That no government at Washington could escape the popular *damnation* which all parties and factions would unite to visit upon an executive that failed to protect, at no matter what cost, so enormous a property as ours against the mere rapine of Chilian marauders—Peru herself standing with us.

For your own satisfaction, I may say that our staff of counsel, including such representative and various men as Governor Boutwell, Senator Eaton, Senator Conkling, Collector Robertson, ex-Congressman Lord and Senator Blair, are absolutely agreed upon this as upon every other point material to the pending issues; and the most radical suggestions of policy as yet suggested have the hearty autograph approval of General Grant, who is now one of us. The significance of all this you need no aid from me to estimate.

It occurs to me to quote you recent correspondence. The moment we heard here of the decree of September 28 I wrote to Senator Blair, the intermediary between the Secretary and myself when I am away from Washington.

"Since I wrote you last we have fresh and stirring news from Lima. Hurlbut's letter to Lynch deserves no stinted praise; it is a bull's-eye, and no man's hat shall go higher than mine for him.

"The attempt of Chili to wipe out Calderon may be covered with any number of specious pretexts, but its real motive unquestionably is to lock horns with Mr. Blaine on the supreme issue of a cession

of territory. Hurlbut spoke, and the Chilian minister at Washington (Mr. Blaine himself told me) appeared at the Department to demand explanation. How he was answered sufficiently appeared from what followed. He certainly became satisfied that the United States would not sit by and see Chili dig out the very vitals of its victim. Between the 25th of August, when Hurlbut wrote, and the 28th of September, when Calderon was suppressed, there was just time to hear fully from Washington.

"It does seem to me that the time has now come for Mr. Blaine to speak the one word that will cut this knot forever. Chili defies him, and puts the last twist on her tortured and helpless victim. Calderon, although originally set up by the Chilians, resigned his provisional office to the constitutional Congress, and was at once unanimously elected provisional President by it. Now, when Chili finds that he will not, and cannot—for his Congress forbade him—cede the coveted territory, she forbids him to exercise his functions at all.

"What next?

"Chilian military rule and pure anarchy. * * * Chili will never permit a free election. She will either set up another provisional stick, or she will never allow another government to be organized. Meanwhile, all advices are that the country is getting into a condition of permanent horribleness; rapine is now the habit and the rule.

"Has not the time fully come for the only power that can stay this awful flood, to *stay* it?

"Hurlbut's manifesto to Lynch is perfect. Now, if his chief cables him to continue to recognize Calderon, and to assure Calderon that, until another government is freely set up by *Peru*, the United States will insist upon his right to speak for Peru under the sanction received from his constitutional Congress, the issue will be forced, and the situation saved.

"If Chili may abolish Calderon, she may abolish Peru; if the United States falters now she may never retrieve the lost opportunity.

"The bearing of all this upon our great interests Chili sees as clearly as I. If there is no Peruvian Government, there is no government to admit our rights, and so to establish them. The continuance of Calderon for the time being is vital, you see, to all we have at stake, and such interests as ours should easily decide the Secretary, if aside from them he hesitates."

Has Peru any representative here to make a heartier plea for her than that?

I will read to you now from the answer that came swiftly back:

"I can only now assure you that the United States will utter her voice in a manner which will mark an era in American diplomacy. The matter is being prepared, and within a week or two you will know what is done. You should act at once as though the American ships of war were on their way to the Pacific coast.....Perfect your plans. Everthing here has been just as you have wanted it all the time. The policy of the government has been exactly right, and is now. Any man who proposes to take part in your project should *now* take hold in earnest.....Chili will not set up another president, I fear, who will be strong enough to treat with us. We had better treat with Calderon, whom I hope our government will continue to recognize."

The Senator in continuing deplores the circumstances which prevented my original purpose of putting you in possession of facts before your departure, which would have enabled you to have pointed Mr. Calderon

to this only and complete way of escape immediately on your arrival at Lima.

But let that pass. It is not yet too late. So great a project as this, glacier-like, makes slow progress at best; it would be perilous indeed if it could move faster. You are now so situated as to place all the material facts clearly before Mr. Calderon. All the papers printed and cited by me—except only Gelacio Cochet's deed, which we have here and will of course produce in due course, together with the attested will—are part of the official records of the Peruvian Government—congressional or municipal—and presumably within the reach of the Peruvian executive. I am advised that undoubtedly Mr. Calderon can reach all the originals that are material. If not, we can supply deficiencies, upon request, from copies in the department at Washington or elsewhere. Certainly I shall be at no pains to collect such copies until upon the *prima facie* case, Mr. Calderon plainly assures me what he proposes to do. I am doing far more for Peru than she is to do for me, and shall not do more than my part.

In yours of September 12, you said that you had received no such dispatches as Secretary Blaine assured me had been sent. The next time I was at the Department the secretary placed in my hands all the dispatches he had sent you, and I read for myself. The phrasing is his own, but the effect is exactly what I described. All I wanted was a *stay* pending negotiation, and I expressly asked him to put the Landreau claim forward, and to say only of ours that it had not yet been examined finally in the Department. He did precisely what I asked. I ask no opinion yet of any one on the merits of the Cochet claim till I have Peru's response to my demand. If that is affirmative, all the issues become finally *res adjudicata*, and will be so treated by the United States Government. If Peru's answer is a negative, then it will be time enough to consider the next step to be taken.

Until that answer comes, it seems hardly worth while for us to send commissioners to Lima. *Cui bono.* The case is as clear as the sun at noonday, and Mr. Calderon is said to be the first lawyer in Peru. I certainly don't propose to argue, nor to solicit, nor to persuade him, nor anybody else. To him, as to a drowning man sinking for the last time, I throw a rope. I am not sinking, nor am I going to sink. I control an interest large enough and strong enough to ride all seas in all weathers. If Mr. Calderon wishes to grasp the rope, that is for him to do. When he has done so, I will land him safe and sound. Until he lays hold of it, why should I further trouble myself?

If I need a commissioner, I am content with the American minister, for the time being. I need nothing from him that his official duty *ex virtute officii* does not require of him, to wit, that he shall do always what he can for the interest of the United States, and as a friend also for the country to which he is accredited. If he does this, he must to the uttermost promote the international plans of this company, and no man I can send can do this so well as he. I do not for a moment distrust him, if once he will set out to utilize in a large way the mere facts as they stand. He cannot go amiss, and he will find in this office during his ministry, and as long as he lives, the surest appreciation and the most helpful friendship.

If Mr. Calderon is wise, he will make Mr. Tracy (the present consul here, and formerly charge d'affaires) his minister plenipotentiary, to cooperate with Mr. Blaine and myself here as you are working with him in Lima, and no other commissioners are needed. Mr. Tracy is ideal in his Peruvian loyalty—son of an American father at Lima, and a Peru-

vian mother—is thoroughly and exceptionally intelligent, commands and deserves the highest respect, and is honest and honorable, as few men are. He has from the first been aware of our plans, but has never had and will never have any interest with us. He does not want to be minister, and would make great sacrifices if he accepted the post—would only accept it, if at all, long enough to carry through the peace negotiations, for which Mr. Elmore is most sadly incompetent. I should add that this suggestion is not only made without Mr. Tracy's knowledge, but despite his repeated refusal to consent to any suggestion of the kind. I only make it in your ear in Mr. Calderon's interest, and leave it wholly to your discretion whether it shall be brought to his notice. Of the utter incompetence of Mr. Elmore there can be no question, and the recommendation I have made is based upon an intimate acquaintance with Mr. Tracy for the last six months. No other man, I think, could, at this juncture, do Peru so great a service as he, if he would accept the appointment, and I think he would not refuse the necessary sacrifice if the President should ask it.

It has been suggested by one of our share-holders that, as the Chilians say Mr. Calderon may exercise his functions anywhere save under the Chilian flag, that he might, without delay, carry on all the negotiations necessary to our views under the American flag in your office. The suggestion will not be new to you, and there may be some difficulty in the way unknown to us. I mention it to indicate our readiness to recognize his official acts. We care no more for Chili is decreest in Peru than for the breath of any other aliens.

I thank you heartily for the news of the proposed sale of an interest in the Landreau claim to the Chilians. The same interest was offered us during the summer and declined.

If our claim is good at all it takes, practically, everything, and Landreau owners must make terms with us as best they can. We have not only a valid first lien (p. 45, Prospectus), but the mere magnitude of our interest must dominate all others in any event.

I am quite content the Chilians should buy it if they think there is any money in it; but I doubt if they will, because if Peru admits our title Chili would be only buying a kneeling place at our foot-stool, and if Peru denies our title, Chili can *that*, and adjudicating it for herself foreclose on Peru with a process that neither the United States nor any other foreign power will for a moment question.

Having delayed *this* intimation until now, I may add that it is no new idea with this company. When we first bought this title we saw three markets for it, and of these three Chili was not the least promising. Of the merits of the original quarrel we know nothing and care nothing. Peru is the under dog, and our sympathies lie with her. There are strong reasons why we should prefer to deal with her, otherwise we should not make her the first offer. But certainly we have not bought this great interest to lay it at the feet of Peru, to use or to refuse as she may choose. We have rights as well as she, and we have abundant alternatives if Peru wishes to challenge us to use them. Of these the Chilian is only one, and is only suggested to make clear the general fact that we have at least *one* alternative. I need not dwell on this point. Mr. Calderon can follow it out for himself.

Nor are we dependent on Mr. Calderon's government. We can wait; all methods are open to us, all delays make in our favor and not against us. It is not for us to hasten, but only to strike when the hour strikes.

If Mr. Calderon wishes speed he can have it; we are ripely ready

whenever he is ready. The moment he cables me the proper assurance he will find me responding like an echo; till then I wait.

My telegraphic address (cables) is Jacket (JACKET), New York.

It might be better still for you to cable Mr. Blaine in cipher.

If now, my dear sir, you see your way clear to work with us I will bury all the past and you shall find in me a true partner. Certainly, I ask nothing of you but that you serve the interests of the whole United States and of Peru at the SAME MOMENT.

With great respect, your obedient servant,

JACOB R. SHIPHERD,
President.

No. 13.

[A complete transcript of the dispatch on pages 547–548, of Senate Ex. Doc. No. 79, Forty-seventh Congress, first session.]

No. 369.

Mr. Hurlbut to Mr. Blaine.

No. 25.] LEGATION OF THE UNITED STATES,
Lima, Peru, November 2, 1881. (Received November 25.)

SIR: I was surprised by receiving, on the 31st ultimo, a telegram from you dated 29th, which, when deciphered, read as follows:

Influence of your position must not be used in aid of Credit Industriel or any other financial or speculating association.

To this I immediately answered.

It has not been; it will not be.

I do not know the reasons why such a warning should be sent me. I have, of course, known that the "Credit Industriel" had made arrangements with the Peruvian Government to furnish them the funds wherewith to pay the money indemnity, which might be demanded. But the whole matter of that contract, of which I never knew the particulars, was concluded long before I arrived in Lima—in fact, as I am informed, before I was appointed to this place. To set the matter absolutely at rest, I inclose herewith a correspondence had this day with President Calderon, by which it appears that the last action taken was in the month of March last.

I have looked upon the matter of these money arrangements between this corporation and the Peruvian Government as a matter exclusively Peruvian, and not in the most remote degree connected with this legation.

Mr. Jacob R. Shipherd, who claims to represent the Cochet claim, has written very peculiar letters to Mr. Manuel Arizola in reference to that claim, and in his last letter complains somewhat indecently of the little interest I appear to take in the supposed claim or syndicate over which he claims to preside.

From what Mr. Arizola tells me of the contents of his last letter, it is possible that he or his allies have something to do with this charge as to the Credit Industriel.

I wrote to the Department, in my No. 12, my opinions upon the Cochet

claim, on which Mr. Shipherd and his associates rely. I have also written in reply to Mr. Shipherd's letters giving him my views of his case so far as I know its merits. I have pointed out to him the utter defect of proof as to three positions, each vital.

The whole colossal speculation rests upon assumptions, not evidence. Thus, first, it is not true in fact that Cochet discovered either guano or its uses as a fertilizer. As such, it has been known and used for hundreds of years, far back into the time of the Incas.

Second. It is not true that Peru ever recognized him in any such capacity.

Third. It is not true in fact that his rights, whatever they were, descended to the illegitimate son, under whom these parties claim, or at any event that any record of legitimation has thus far been produced.

I presented these defects to Mr. Shipherd, who does not like my criticism, and writes to Mr. Arizola that he can get on quite well without me, as he has the whole government and all their friends on his side and pledged to his scheme.

I am very glad to be relieved, for he has overwhelmed me with voluminous matter, so strangely written, and with such singular assumptions, that I am inclined to doubt his sanity or his truthfulness.

I would be pleased to believe in his notions, and to feel certain that American citizens had a just claim to a thousand millions, but, unfortunately, I have no evidence in favor, and very much against. Inasmuch as he has relieved me of the affair, I have concluded to send you a very considerable portion of his correspondence, so that you may judge of the character of the statements I am called upon to believe.

In the short letter, the first of the series, dated June 2, 1881, you will perceive the modest proposition of a share in the enterprise. I request that he will show to you any and all letters received from me. Let it suffice for me now to say, that I hever have proposed, nor no I now propose, to aid officially or otherwise any project having any relation to the money affairs of Peru, from any source, American or foreign, unless I am instructed so to do. I shall use my best endeavors to restore good government in Peru and to bring about a peace, but shall leave that republic free, as I have hitherto done, to negotiate as she pleases for the ransom of her national life.

I send Shipherd papers herewith, to be read if you choose to take the trouble, and to be retained in the Department, as possibly they may be necessary for me to keep.

I have, &c.,

S. A. HURLBUT.

No. 14.

[A complete transcript of the letter on page 685 of Senate Ex. Doc. No. 79, Forty seventh Congress, first session.]

[Inclosure in Mr. Shipherd's letter of December 5.]

Mr. Arizola to Mr. Shipherd.

LIMA, *November* 9, 1881.

ESTEEMED SIR: By the last mail from Panama I received your letter, which, by advice of your friends, you have addressed to me under

date 5th of October last, developing the vast financial plan which the Peruvian Company proposes to realize.

I regret to state to you in reply, that having placed myself in accord with his excellency the Provisional President of the Republic, for a conference which was to have taken place at 12 o'clock noon of Sunday, the 6th instant, with the object of showing to him, as well your opinion as the documents and other papers which accompany it, a new outrage upon Peru, doubtless the greatest of the Chilian domination among the episodes of the state of war in these latter times, absolutely frustrated the conference agreed upon.

The telegraph, and later the correspondence which the mail will carry from this country to the United States, will inform you of the unheard-of act carried out with surprise and daring; the Chilians having taken possession, in the morning of Sunday, the 6th instant, of the person of the President of Peru, conveying him at once, and in an express train, to Callao, and afterwards depositing the prisoner on board the iron-clad Lord Cochran, which sailed twenty-four hours later for unknown parts.

I omit all commentary upon the enormity of the abuse committed by the implacable conqueror upon the chief of a government of order established by the nation precisely for the purpose of celebrating and cementing peace with Chili upon just bases, and who had just been recognized and proclaimed by the great territorial sections of the north and south of the republic, and by the armies garrisoning the same.

Chili does not consent to the consolidation of any serious and stable government in Peru. She wishes to divide her and anarchize her more and more each day, in order to carry out with impunity the public and private international robbery, which she has undertaken, and which Christian and cultivated nations tolerate with impassibility, without remembering that transgressions committed upon the laws of nations constitute teachings and precedents to be cited as authority whenever the abuse of the strong desire to oppress and disunite to-day one nation, to-morrow another, in continual rotation upon all weak people, or those who may arrive to be weak in any occasion or circumstance.

The fact is that the deed carried out has rendered impossible the conferences to which I above alluded, and renders the action with which you have charged me in your letter inopportune until public affairs are placed back again in the path which in my opinion only the Government of the American Union can enable us to reach by hastening events and thus vindicating their traditional policy.

For this there is an opportunity offered by the continuation of the constitutional regimen of the Vice-President elected by the National Congress in last August, Rear-Admiral Don Lizardo Montero.

The latter will assume the command the moment the news of this infamous outrage shall reach him, and it is evident that by lending to him a strong hand on the part of the Government of the United States we may arrive at the desired solution of all the questions of the war and at the restoration of internal order.

Whatever you and your friends may do in this sense will be a benefit to Peru *and the victory of your own plans.*

I trust that you will let me know opportunely what action in this direction may be expected.

I have, &c.,

MANUEL ARIZOLA.

No. 15.

[A complete transcript of the letter on page 585 of Senate Ex. Doc. No. 79, Forty-seventh Congress, first session.]

[Inclosure 3 in No. 36.]

Mr. Shipherd to Mr. Hurlbut.

NEW YORK, *November* 15, 1881.

SIR: Senator Blair writes me, "Hurlbut telegraphs that the Chilians have captured Calderon and carried him to Chili." The Senator adds, "There must be trouble now. Have General Grant do his duty. American influence in America is at an end if Chili can slap our face as flatly as this."

We heard also by cable of Montero's acceptance.

We appreciate the gravity of the new issues, and the new problem which you must now face. The letters I inclose with this were already written when Senator Blair's letter came to hand, and I will not now change them. The need for a protectorate is but increased by all that has happened, and I doubt not Chili will continue to force the issue. Our people hope she will. What we want is our government at the fore, and all winds that blow that way fill our sails.

I reply to the Senator, "I totally agree with you as to Chili. She must unconditionally return Calderon to executive liberty, or we must all take partners for the dance. I trust Mr. Blaine will plant his flag and his guns right there; and he will, won't he?"

I shall consult General Grant to-day, and he and I may go to Washington on Thursday.

We shall do what lies in our power to second all the vigor you have used on the main issue.

I am, &c.,

JACOB R. SHIPHERD.

No. 16.

[A complete transcript of the letter on page 586 of Senate Ex, Doc. No. 79, Forty-seventh Congress, first session.]

[Inclosure 4 in No. 36.]

Mr. Shipherd to Mr. Hurlbut.

NEW YORK, *November* 15, 1881.

SIR: Since my note by the last steamer the question of a definite protectorate has grown in relative importance, and is now being seriously discussed.

The general sentiment among our people, as among our advisers—and you will not forget that we include representative men and advisers of all factions and parties, and I may say once for all that no suggestions will be found in this correspondence which have not in the precise form here set down first received the concurring approval of all who advise the executive of this company. I say it is now the general sentiment of our people that there should be a protectorate if the Peruvian Government as such is to be saved. Our information is that the national

debilities, of which the more vigorous Chilians have so easily taken advantage, are too deeply seated to be already purged by those adverse fortunes which do sometimes purge a people, and that the factional dissensions of the country present separate problems equally unpromising.

Assuming that our plans succeed we must inevitably accept the general responsibility of maintaining order, and to this end we must seasonably determine a controlling policy.

We may, do doubt, arrange with the Chilians for aid, but an American protectorate seems to promise more satisfactory results, all things considered.

Upon this general question, however, we shall be glad to receive and carefully to consider your matured advice.

The more immediate purpose of this note is to suggest that if Mr. Calderon desires direct aid from Washington he shall lose no time in asking for it.

That he should ask it, and not merely in his executive capacity but under conditions which will show clearly that the prayer is the prayer of his people, is an obvious prerequisite to any consideration of the question by the President or by Congress.

If I were at liberty to use names I might give that of a member of the Cabinet authorized to speak directly for the President, whose suggestion is that Mr. Calderon accredit a special deputation of, say, three of his ablest men to come at once to Washington to present to the President for transmission to Congress—which will be in session when this reaches you—a formal application for a protectorate; that this deputation have full powers and remain here at the command of Congress until the application shall be finally disposed of.

The sentiment of our people seems to be unanimous upon such points as these.

I. The only ground upon which such an application would receive any favor, and, therefore, the only ground upon which the petition should by its own terms rest, is that there are now in Peru very large American interests demanding and being clearly entitled to American protection, and these may be specified generally as—

1. The interests of this company.
2. The interests represented by Mr. W. H. Cilley.
3. The Landreau claim, concerning which you have already been instructed.
4. Lesser interests in the aggregate.

These specifications might well be enforced with reference to the fact that the Monroe doctrine and the more recent and now definitely named "Blaine doctrine" render the intervention of any European power impossible, and there might be a reference in this connection to Captain Eads's American ship-railway project which is to be before Congress this winter, and which General Grant tells me he shall now heartily favor, and with which I may add we shall probably give hands for future use.

II. No suggestion would be entertained at Washington, or by our people at large, or would be favored by this company, which looked, however indirectly, to the assumption by our government of any pecuniary liability whatever. All the expenses of the protectorate itself must be paid, sooner or later, by Peru, and no proposition for a guarantee of any of Peru's obligations would be considered for a moment; more than this, an application not *expressly excluding* all possibilities of this kind would probably defeat itself. The *strong hand* of the United States as a *helping* hand will probably be extended if this above is asked for.

III. The application will only succeed if actively supported by the

now very influential voice of this company, and the deputation should be instructed to present only such an application as this company shall, in advance, entirely approve. Upon this point I will go so far as to say that it is the corner-stone of the whole case.

III. If any application of this sort is to be attempted you will yourself see that not a moment is to be lost.

So important a question would be debated for months, and unless introduced very early in the session would probably fail for mere want of time.

You should advise me by cable the moment a decision is reached. I could then utilize the weeks intervening the arrival of the commissioners to excellent advantage.

IV. It is not now believed that a protectorate, if granted, need continue more than a few years. The return of peace under a government absolutely stable would rapidly restore normal conditions, and the development of the comprehensive plans of this company would, at no distant day, establish a condition of things under which foreign aid would cease to be useful.

It is advised that the application would be almost certainly granted if made in this view, but no proposition for annexation would be considered, and a permanent protectorate would look like annexation under a thin disguise. In a word, *temporary* aid under the conditions suggested could hardly be referred; a permanent, or probably permanent, governmental responsibility at so great a distance would probably be declined.

It will occur to you without suggestion that in any event the more modest the prayer in the first instance the more likely it is to be granted, and that if our government does but once undertake to compose the pending difficulties it may be safely set down that she will not stay her hand until the whole work is thoroughly done, no matter what the cost of success may finally turn out to be; here, as elsewhere, it is the first step only that costs, and if it is *effectual help* that Peru wants, her supreme wisdom is to make her prayer effectual in the first instance.

If she will follow strictly the advice I give her, she will be certainly saved.

I shall at all times value such information and advice as you may think it opportune to supply.

I am, &c.,

JACOB R. SHIPHERD.

No. 17.

[A complete transcript of the letter on pages 588–591 of Senate Ex. Doc. No. 79, Forty-seventh Congress, first session.]

[Inclosure 6 in No. 36.]

Mr. Shipherd to Mr. Hurlbut.

NEW YORK, *November* 16, 1881.

SIR: I inclose with this, apropos of a suggestion heretofore made, a copy of Judge Lord's brief upon the precedents for a direct treaty between the Government of Peru and the Government of the United States, to cover the essential rights and interests of this company, and as a foundation upon which both Peru and this company may safely ground the proposed agreement between themselves.

Governor Boutwell concurs in Judge Lord's view in a careful memorandum from which I quote:

"I anticipate that the Secretary of State will, without serious debate, admit the following propositions as resting upon constitutional usage from the foundation of the government, viz:

"1. That the President may negotiate treaties through an agent or representative whose designation or appointment has not been submitted to the Senate.

"2. That the government may, in its discretion, make reclamation of other governments in behalf of its own citizens who have suffered injuries, or in any way have been deprived of their rights.

"3. That all treaties, however negotiated, are only valid and binding upon this government when duly ratified by the Senate. The first two of these positions are well established by the authorities cited in the brief, and the third will not be disputed." Senator Eaton also substantially concurs. The suggestion has not been formally submitted to other counsel.

If these views are sound, such a treaty might be negotiated at Washington by an accredited minister or commissioner on the part of Peru and such special commissioner as the Secretary of State should designate; or it might be negotiated at Lima by the American minister and such special commissioner as the President of Peru should designate.

It is also apparent that this treaty might conceivably deal with some phases and possibly even with the essence of the suggested protectorate.

I shall be glad to consider such suggestions as occur to you in this connection.

I am, &c.,

JACOB R. SHIPHERD.

In the matter of the claims against Peru owned by the Peruvian Company.

It is agreed that it is very desirable to have a treaty made with Peru without the interference of Chili, for the reason that the latter government would, *first*, if possible, supplant the present Government of Peru by the "bandit mountaineer," or some other military chieftain, upon condition that he should defeat the treaty; and, *second*, would seek to stir up other governments; and, *third*, would appear in our Senate for such purpose. Can such a treaty be made?

First. By article 2, section 2, of the Constitution, the President has the power, by and with the advice and consent of the Senate, to make treaties. Is such consent a prerequisite? Nearly three hundred treaties answer to the contrary, and the Constitution makes it no more a prerequisite as to treaties than as to officers.

In some instances the persons representing the government have been selected by and with the advice and consent of the Senate, notably as to the treaties made with Great Britain, after the adoption of our constitution and the war of 1812; two treaties with France, which involved claims, and one with Spain, but an overwhelming preponderance of treaties have been negotiated by persons appointed by the President without any reference to the Senate until presented for approval. These persons have been sometimes ministers plenipotentiary, sometimes ministers resident, then chargé d'affaires, consuls, and special agents or commissioners, and sometimes by the agent of the plenipotentiary, as

in the treaty with Algiers, concluded September 5, 1795, ratified March 2, 1796, and as in the treaty with Tripoli, concluded November 4, 1796.

Second. Is it the duty and has it been the practice of the United States Government to conclude treaties relating to private claims?

The first treaty in regard to private claims was concluded November 19, 1794, ratified October 28, 1795, and was with Great Britain. By article 6 of such treaty compensation is provided for debts due to British creditors; by article 7, for losses "by divers merchants and others, citizens of the United States, by reason of irregular or illegal captures."

The treaty with France, concluded September 30, 1800, ratified July 31, 1801, by its fifth article provides for the payment of debts "by the individuals of one with the individuals of the other" nation.

On the 11th of August, 1802, a treaty was concluded with Spain, ratified January 9, 1804, by the third article of which all claims made by citizens of the United States may be presented to certain commissioners.

Charles Pinkney negotiated this treaty for the United States.

On the 30th of April, 1803, a treaty with France was concluded, by the first article of which certain debts due by France to citizens of the United States were provided for.

The representatives of the United States were appointed by and with the advice of the Senate.

On the 22d of February, 1819, a treaty was made with Spain by which Florida was acquired, and the United States assumed to pay five millions of dollars of debts due from Spain to citizens of the United States. (See article 11.)

The treaty was ratified February 22, 1821, negotiated for the United States by the Secretary of State.

On November 13, 1826, a treaty was concluded with Great Britain, ratified February 6, 1827, by the first article of which twelve hundred and four thousand nine hundred and sixty dollars is to be paid to the United States for the use of the persons entitled. This treaty was negotiated for the United States by Albert Gallatin.

On the 28th of March, 1830, a treaty was made with Denmark, ratified June 5, 1830, by which that government agreed to pay six hundred and fifty thousand dollars on account of the citizens of the United States. This treaty was negotiated on the part of the United States by Henry Wheaton, chargé d'affaires.

On July 4, 1831, a treaty was made with France, ratified February 2, 1832, by the second article of which twenty-five millions of francs were to be paid to the United States to satisfy claims of its citizens (see article 1). William C. Rives acted for the United States.

On the 14th of October, 1832, a treaty was made with the Two Sicilies, by which two millions one hundred and fifteen thousand ducats were to be paid to the United States to be distributed among certain claimants, less seven thousand six hundred and seventy-nine ducats, to be retained by the United States for certain expenses. This treaty was negotiated for the United States by John Nelson, chargé d'affaires, and was ratified June 8, 1833.

On the 17th day of February, 1834, a treaty was made with Spain, ratified August 14, 1834, Cornelius P. Van Ness, envoy extraordinary, acting for the United States, by which twelve millions of reals were paid to the United States in satisfaction of all claims.

On the 11th day of April, 1838, a treaty was made with Texas, ratified July 6, 1838, concluded by the chargé d'affaires of the United States, by which the sum of eleven thousand seven hundred and fifty dollars

was to be paid to the United States, to be distributed among certain claimants, American citizens.

On the 11th day of April, 1839, a treaty was made with Mexico, John Forsyth, Secretary of State, acting for the United States, ratified April 7, 1840, by which claims of citizens of the United States were referred to four commissioners, two to be appointed by the United States, two by Mexico, the King of Prussia to act as umpire. For any sum of money found due citizens of the United States, Treasury notes were to be issued.

On the 30th of January, 1843, a further treaty was made on the same subject, ratified March 24, 1843, Waddy Thompson, envoy extraordinary, acting for the United States.

On the 17th of March, 1841, a treaty was made with Peru, James O. Pickett, chargé d'affaires, acting for the United States, by which three hundred thousand dollars were to be paid to the United States for claims of its citizens; proclaimed February 21, 1844.

On the 27th day of January, 1849, a treaty was made with Brazil, David Tod, envoy extraordinary, acting for the United States, ratified January 18, 1850, by which five hundred and thirty thousand millrees were to be paid to the United States for the claims of its citizens. (Articles 1 and 2.)

On the 26th day of February, 1851, a treaty was made with Portugal, ratified June 23, 1851, Daniel Webster, Secretary of State, acting for the United States, by which certain claims presented by the United States on behalf of the officers and crew of a privateer should be referred to some sovereign of a friendly nation.

On the 8th day of February, 1853, a treaty was made with Great Britain, Joseph Reading Bissell, envoy extraordinary, acting for the United States, ratified July 26, 1853, by which it was agreed that all claims on the part of corporations, companies, or private individuals, citizens of the United States, upon the Government of Her Britannic Majesty, presented since the treaty of Ghent, should be referred to certain commissioners.

On the 10th of September, 1857, a treaty was made with New Granada, ratified November 8, 1860, Lewis Cass, Secretary of State, acting for the United States; a board of commissioners was organized to adjust the claims of the citizens of the United States against New Granada.

On the 8th day of November, 1858, a treaty was made with China, William B. Reid, envoy extraordinary, acting for the United States, by which five hundred thousand taels were to be paid for the satisfaction of claims of American citizens.

On the 10th of November, 1858, a treaty was made with Chili, ratified October 15, 1859, John Bigler, envoy extraordinary, acting for the United States, by which it was reserved to the King of Belgium to arbitrate claims made by citizens of the United States for silver taken in bars by the vice-admiral of the Chilian squadron.

On the 14th of January, 1859, a treaty was made with Venezuela, Edwin A. Turpin, minister resident, acting for the United States, ratified February 26, 1861, by which the former government agreed to pay certain citizens of the United States on account of being evicted from the Aves Island the sum of one hundred and thirty thousand dollars.

On the 4th day of February, 1859, a treaty was made with Paraguay, ratified March 7, 1860, by which the claims of the United States and Paraguay Navigation Company, a company composed of citizens of the United States, were referred to a commission, James B. Bowlin, special commissioner, acting for the United States.

On the 2d day of July, 1860, a treaty was made with Costa Rica, ratified

November 9, 1861, by which all claims of citizens of the United States for injuries to persons or damages to property were referred to a commission, Alexander Dimitry, minister resident, acting for the United States.

On the 25th of November, 1862, a treaty was concluded with Ecuador, ratified July 27, 1864, United States represented by its minister resident, by which "all claims on the part of corporations, companies, or individuals, citizens of the United States, upon the Government of Ecuador," were referred to a commissioner.

On the 20th of December, 1862, a treaty was made with the Government of Peru, ratified April 21, 1863, by which claims of the owners of vessels, citizens of the United States, were referred to a commission, the envoy extraordinary representing the United States.

On the 12th of January, 1863, a treaty was made between the same governments, ratified April 18, 1863, by which "all claims of citizens of the United States against the Government of Peru" were referred to a mixed commission, same envoy acting for the United States.

On the 10th day of January, 1864, a treaty was made with Colombia, ratified August 19, 1865, extending a commission, proclaimed the 8th of November, 1860, the Secretary of State acting for the United States.

On the 22d of October, 1864, a treaty was made with Japan, proclaimed April 9, 1866, by which there was to be paid three millions of dollars to four powers, the United States being one, "to include all claims of whatever nature," the minister resident representing the United States.

On the 25th of April, 1866, a treaty was concluded with Venezuela, ratified April 17, 1867, by which "all claims on the part of corporations, companies, or individuals, citizens of the United States, and the Government of Venezuela," which had been presented, were referred to a mixed commission.

On the 4th of July, 1868, a treaty was made with Mexico, by which claims for injuries to persons and property by "corporations, companies, or private individuals, citizens of the United States and the Government of the Mexican Republic," should be referred to commissioners, two to be selected by each government, providing for an umpire, ratified February 1, 1869, United States acting by its Secretary of State.

On the 4th day of December, 1868, a treaty was made with Peru, ratified June 4, 1869, referring claims of citizens of the United States to commissioners, the same as in the last recited treaty.

On the 12th of February, 1871, a treaty was made with Spain, Daniel E. Sickles, envoy, acting for the United States, by which "the settlement of the claims of citizens of the United States or of their heirs against the Government of Spain," for injuries to persons or property, should be referred to arbitrators and an umpire.

On the 8th of May, 1871, a treaty was made with Great Britain, ratified June 17, 1871, by which the Alabama claims were referred to arbitration. The United States finally waived all government claims and recovered only for claims to be distributed to individuals.

On the 27th of November, 1872, a treaty was made with Mexico, ratified March 17, 1873, by which a commission was continued to consider certain claims of citizens of the United States.

I am not unmindful of the criticism of Senator Sumner on the Clarendon-Johnson treaty, nor of the principles contended for in the discussion on the "Treaty of Washington, relating to the Alabama claims," but a treaty can be framed fully protecting the Peruvian company in harmony with such principles.

SCOTT LORD,
Of Counsel.

OCTOBER 1, 1881.

No. 18.

[A complete transcript of the dispatch, with a name inserted, as printed on page 567 of Senate Ex. Doc., No. 79, Forty-seventh Congress, first session.]

No. 376.

Mr. Hurlbut to Mr. Blaine.

No. 28.] LEGATION OF THE UNITED STATES,
Lima, Peru, November 23, 1881. (Received December 21.)

SIR: * * * I also send with this a long letter from Mr. Jacob R. Shipherd, which I wish read and retained in the Department. I call attention to the part marked with lines. I have written to him declining any further correspondence, unless through the Department, and have also written a letter of explanation to Hon. George S. Boutwell, said by Shipherd to be his attorney.

I am, sir, your obedient servant,

S. A. HURLBUT.

No. 19.

[A complete transcript of the letter on page 594 of Senate Ex. Doc. No. 79, Forty-seventh Congress, first session.]

[Inclosure 1 in No. 39.]

Mr. Shipherd to Mr. Hurlbut.

[The Peruvian Company, 10 Spruce street, New York. Post-office box 3448.]

NOVEMBER 26, 1881.

SIR: Yours of October 26 is at hand, and your suggestions have attention.

The capture and extradition of Calderon and his minister since you wrote have changed the apparent issues greatly, and for the moment we wait further developments.

The drift of events as a whole tend, as I now think, toward a change of the base of negotiations from Lima to Washington. Thus:

1. Peru's only hope lies in the United States and in this company.

2. If the United States and this company undertake to help her, they will dictate the terms of settlement alike to Peru and to Chili, and this they can better do at Washington than at Lima.

3. These terms will probably imply a protectorate, and a protectorate can only be created by the Senate, through Congress, or by both. As I have already written you, this protectorate should be instantly asked for by accredited deputies sent from Lima to Washington.

4. Within the last thirty days a Chilian functionary of the highest rank made this declaration:

"By far the most dangerous element in the whole situation is the claim of the Peruvian Company. I have carefully and repeatedly examined their papers, and I don't for the life of me see how we are going to get round that claim. It gives me more anxiety than any possible action of the United States Government apart from it. The Peruvians will of course admit the claim, and then the United States Executive is bound

to back it up, and what answer can we make? It troubles me more than I can describe."

5. I know that the Chilian minister at Washington has practically determined to seek a conference with me at an early date; on my part I am about to take a step which will make it easy for him to do so; the moment he and I arrive at an understanding all the rest will be easy. Be assured I shall assume Peru's concurrence at the outset, but only until she has a fair opportunity to speak for herself. The first moment she *can* speak, she must speak, or I shall drop her out of the account.

6. I am semi-officially advised that the Chilians have demanded your removal, and have been denied; and I know that by the next steamer Señor Martinez will (unless he changes his present determination) ask for power to treat with Mr. Blaine and the president of the Peruvian Company direct.

7. Mr. Martinez is working night and day to secure utterances of the press here favorable to the Chilian cause, and not without some success; he regards this the battle-ground yet to be won.

8. I cannot too strongly assure you that the interests of Peru at Washington are in wretchedly incompetent hands, and such an appointment as I suggested (Mr. Tracey) or far better a direct deputation asking a protectorate, is of the utmost importance. In any event Elmore and Suarez who think of nothing but the impossible *société* contract, cannot too soon be abolished altogether. I say this only in the interest of Peru; this company has not the slightest ill-will toward either; indeed, it will gladly show them any personal courtesy or kindness in its power. I told Mr. Elmore months ago, also, that our plans were liberal enough to take in the *société* itself on a fair basis, our motto being, "Live and let live" on all sides; but he makes no response.

As soon as your letter came I sent a copy to Mr. Blaine through Senator Blair. No expense will embarrass us; no problem will discourage us. You are very safe in your assumption on this point; but we have, for fundamental reasons, asked little direct aid from the government as yet.

After Mr. Blaine had formally advised me of the filing of our demands and the proofs of their service, I did suggest that he might forward copies to the minister at Lima and at Santiago, to be presented by the minister with the remark that the company was known to the Department to be composed of reputable gentlemen whose representations were entitled to entire respect; but he seemed to think such an instruction unnecessary, remarking that it was, of course, the business of ministers to afford always their unofficial good offices, &c. I frankly think the instructions should be sent; but relying as I now do upon your entire good will, and expecting nothing from Santiago, I do not press the point.

Not a little criticism of your course has appeared in print, but the unfortunate letter to Piérola's secretary is chiefly chargeable with it. That letter, however true, was unnecessary and impolitic. We are all compelled to admit so much. But your memorandum to Admiral Lynch, the secretary and I stoutly defend, and will defend, and I shall take the necessary measures to antidote Mr. Martinez's negotiations with the press.

I was in Washington again last week, and had a full talk with the President at General Grant's suggestion, and upon his introduction. My chief point was that the Executive might avoid a discussion of the abstract question of intervention by substituting the not debatable question whether it is not bound to take such charge of the situation

as may be necessary to the protection of American property interests in Peru. Mr. Cilley was with me. We have practically united interests, and we two stood at the interview for $1,500,000,000 of American property. While properly reticent, the President was evidently impressed with the suggestion, and Senator Blair, General Grant, Governor Boutwell, and others who have his ear, will follow it up.

The situation at the moment of this writing seems to be this:

1. The United States must see to it that Peru has an authorized executive, and that he is left perfectly free to treat with the United States and with this company.

2. Such executive, if he is wise, will use his first moment of liberty in admitting our claim unconditionally, and his next in basing on it and on Mr. Cilley's large interests direct application for an American protectorate. Leave the rest to this company, and you will not be disappointed.

I am, sir, your obedient servant,

JACOB R. SHIPHERD.

Hon. S. A. HURLBUT, *Lima.*

No. 20.

[A complete transcript of the letter on page 595 of Senate Ex. Doc. 79, Forty-seventh Congress, first session.]

[Inclosure 2 in No. 39.]

Mr. Shipherd to Mr. Hurlbut.

[The Peruvian Company, 10 Spruce street, New York. Post-office box 3448.]

NOVEMBER 29, 1881.

MY DEAR SIR: Yesterday I heard through a mutual friend from Mr. Arizola. He assures us in gratifying terms of your fidelity to Peru and of your readiness to promote our plans, so far as they shall be found well founded and practicable, but gives as a first impression the opinion that neither Landreau nor Cochet has any rights.

His correspondent, who thoroughly knows Peru and the Peruvians, expresses no surprise and abates nothing from his confident original opinion, either as to merits or as to the outcome. If the Peruvians ever had a moral sense it must have been in a pre-existent state; they have never shown it in Peru. As I have heretofore suggested, we have never expected them to be just; we expect them now only to look out for themselves. Certainly the facts are ample to warrant the executive in so construing them as to make a way out for Peru; it contents us that he should discuss it in no other light.

If in such premises even there is not mind enough left to perceive either what is due to equity or wise in the emergency, then indeed are the Chilians wholly right. Peru is rotten to the core and has a right only to sepulture.

I trust by the time this reaches you Calderon will be near you again; if not, then Montero must take the helm. The press is now saying a great deal and largely on the Chilian side. Even the Tribune denounces intervention in the abstract. Only these American rights can give the necessary reason to satisfy our public, and it would seem indeed incredible that Peru should miss such an opportunity.

We can easily deal with Chili, and you may assure Peru that we shall not wait on her long.

So long as you stand with us we will stand faithfully for you. You have deserved and have won Peruvian confidence; you have made Chili an enemy; we deal only with the facts; you may rely on our whereabouts with mathematical certainty.

Very truly, yours,

JACOB R. SHIPHERD.

Hon. S. A. HURLBUT.

No. 21.

[A complete transcript of the letter on page 585 of Senate Ex. Doc. No. 79, Forty-seventh Congress, first session.]

[Inclosure 1 in No. 36.]

Mr. Hurlbut to Mr. Shipherd.

LIMA, *December* 17, 1881.

JACOB R. SHIPHERD, Esq., *New York:*

SIR: I have tried, as far as I could, to make you understand that I cannot have, and ought not to have, anything to do with your company or yourself as its agent, or with any other similar.

Both my general and particular instructions forbid me from taking notice of such matters, unless referred to me by the Department of State. Once more, and for the last time, I repeat this statement.

I shall return your papers to the Secretary of State, as I have done the others, and definitely close all correspondence with you unless directed by the Department.

Your obedient servant,

S. A. HURLBUT.

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